

CANADA

DEBATES OF THE SENATE

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE JEAN-PAUL DESCHATELETS, P.C.
SPEAKER

1972
FOURTH SESSION, TWENTY-EIGHTH PARLIAMENT
21 ELIZABETH II

The Session was opened on February 17, 1972
and was prorogued on September 1, 1972

The Twenty-eighth Parliament was dissolved
on September 1, 1972

Queen's Printer for Canada, Ottawa

25312–A

The Speaker

THE HONOURABLE JEAN-PAUL DESCHATELETS, P.C.

The Leader of the Government

THE HONOURABLE PAUL MARTIN, P.C.

The Leader of the Opposition

THE HONOURABLE JACQUES FLYNN, P.C.

THE MINISTRY

According to Precedence

At Dissolution, September 1, 1972

The Right Honourable Pierre Elliott Trudeau, M.P.	Prime Minister
The Honourable Paul Joseph James Martin	Leader of the Government in The Senate
The Honourable Mitchell Sharp, M.P.	Secretary of State for External Affairs
The Honourable Arthur Laing	Minister of Veterans Affairs
The Honourable Allan Joseph MacEachen M.P.	President of the Queen's Privy Council for Canada
The Honourable Charles Mills Drury, M.P.	President of the Treasury Board
The Honourable Jean-Luc Pepin, M.P.	Minister of Industry, Trade and Commerce
The Honourable Jean Marchand, M.P.	Minister of Regional Economic Expansion
The Honourable Joseph Julien Jean-Pierre Côté	Postmaster General
The Honourable John Napier Turner, M.P.	Minister of Finance
The Honourable Jean Chrétien, M.P.	Minister of Indian Affairs and Northern Development
The Honourable Bryce Stuart Mackasey, M.P.	Minister of Manpower and Immigration
The Honourable Donald Stovel Macdonald, M.P.	Minister of Energy, Mines and Resources
The Honourable John Carr Munro, M.P.	Minister of National Health and Welfare
The Honourable Gérard Pelletier, M.P.	Secretary of State of Canada
The Honourable Jack Davis, M.P.	Minister of the Environment
The Honourable Horace Andrew Olson, M.P.	Minister of Agriculture
The Honourable Jean-Eudes Dubé, M.P.	Minister of Public Works
The Honourable Stanley Ronald Basford, M.P.	Minister of State for Urban Affairs
The Honourable Donald Campbell Jamieson, M.P.	Minister of Transport
The Honourable Robert Knight Andras, M.P.	Minister of Consumer and Corporate Affairs
The Honourable James Armstrong Richardson, M.P.	Minister of Supply and Services
The Honourable Otto Emil Lang, M.P.	Minister of Justice and Attorney General of Canada
The Honourable Herb Gray, M.P.	Minister of National Revenue
The Honourable Robert Douglas George Stanbury, M.P.	Minister of Communications
The Honourable Jean-Pierre Goyer, M.P.	Solicitor General of Canada
The Honourable Alastair William Gillespie, M.P.	Minister of State for Science and Technology
The Honourable Martin Patrick O'Connell, M.P.	Minister of Labour
The Honourable Patrick Morgan Mahoney, M.P.	Minister of State

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet	R. G. Robertson
Deputy Secretary to the Cabinet (Operations)	L. D. Hudon
Deputy Secretary to the Cabinet (Plans)	P. M. Pitfield
Deputy Secretary to the Cabinet (Federal-Provincial Relations)	F. A. G. Carter
Assistant Clerk of the Privy Council (Orders-in-Council)	J. L. Cross

SENATORS OF CANADA

ACCORDING TO SENIORITY

At Dissolution, September 1, 1972

Senators	Designation	Post Office Address
THE HONOURABLE		
Salter Adrian Hayden	Toronto	Toronto, Ont.
Norman McLeod Paterson	Thunder Bay	Thunder Bay, Ont.
Léon Mercier Gouin	De Salaberry	Montreal, Que.
George Percival Burchill	Northumberland-Miramichi	Nelson-Miramichi, N.B.
Gordon B. Isnor	Halifax-Dartmouth	Halifax, N.S.
Michael G. Basha	West Coast	Curling, Nfld.
Muriel McQueen Fergusson	Fredericton	Fredericton, N.B.
Sarto Fournier	De Lanaudière	Montreal, Que.
John J. Connolly, P.C.	Ottawa West	Ottawa, Ont.
Donald Cameron	Banff	Banff, Alta.
David A. Croll	Toronto-Spadina	Toronto, Ont.
Fred A. McGrand	Sunbury	Fredericton Junction, N.B.
Donald Smith	Queens-Shelburne	Liverpool, N.S.
Harold Connolly	Halifax North	Halifax, N.S.
Florence Elsie Inman	Murray Harbour	Montague, P.E.I.
Hartland de Montarville Molson	Alma	Montreal, Que.
William Albert Boucher	Prince Albert	Prince Albert, Sask.
J. Eugène Lefrançois	Repentigny	Montreal, Que.
George Stanley White, P.C.	Hastings-Frontenac	Madoc, Ont.
Joseph A. Sullivan	North York	Toronto, Ont.
Lionel Choquette	Ottawa East	Ottawa, Ont.
Frederick Murray Blois	Colchester-Hants	Truro, N.S.
John Michael Macdonald	Cape Breton	North Sydney, N.S.
Josie Alice Dinan Quart	Victoria	Quebec, Que.
Louis Philippe Beaubien	Bedford	Montreal, Que.
J. Campbell Haig	River Heights	Winnipeg, Man.
M. Grattan O'Leary	Carleton	Ottawa, Ont.
Allister Grosart	Pickering	Toronto, Ont.
Edgar Fournier	Madawaska-Restigouche	Iroquois, N.B.
Frank C. Welch	Kings	Wolfville, N.S.
Jacques Flynn, P.C.	Rougemont	Quebec, Que.
David James Walker, P.C.	Toronto	Toronto, Ont.
Rhéal Belisle	Sudbury	Sudbury, Ont.
Paul Yuzyk	Fort Garry	Winnipeg, Man.
Orville Howard Phillips	Prince	Alberton, P.E.I.
Maurice Bourget, P.C.	The Laurentides	Lévis, Que.
Louis P. Gélinas	Montarville	Montreal, Que.
Romuald Bourque	De la Vallière	Outremont, Que.
Azellus Denis, P.C.	La Salle	Montreal, Que.
Eric Cook	Harbour Grace	St. John's, Nfld.
Daniel Aiken Lang	South York	Toronto, Ont.
Nelson Rattenbury	Southern New Brunswick	Saint John, N.B.
John B. Aird	Toronto	Toronto, Ont.
William Moore Benidickson, P.C.	Kenora-Rainy River	Kenora, Ont.

Senators	Designation	Post Office Address
THE HONOURABLE		
Alexander Hamilton McDonald	Moosomin	Moosomin, Sask.
Earl Adam Hastings	Palliser-Foothills	Calgary, Alta.
Harry William Hays, P.C.	Calgary	Calgary, Alta.
James Harper Prowse	Edmonton	Edmonton, Alta.
John Lang Nichol	Lion's Gate	Vancouver, B.C.
Charles Robert McElman	Nashwaak Valley	Fredericton, N.B.
Douglas Keith Davey	York	Don Mills, Ont.
Jean-Paul Deschatelets, P.C. (Speaker)	Lauzon	Montreal, Que.
Hazen Robert Argue	Regina	Kayville, Sask.
Alan Aylesworth Macnaughton, P.C.	Sorel	Montreal, Que.
J. G. Leopold Langlois	Grandville	Quebec, Que.
Paul Desruisseaux	Wellington	Sherbrooke, Que.
Chesley William Carter	The Grand Banks	St. John's, Nfld.
James Duggan	Avalon	St. John's Nfld.
Thomas Joseph Kickham	Cardigan	Souris, P.E.I.
Douglas Donald Everett	Fort Rouge	Winnipeg, Man.
Maurice Lamontagne, P.C.	Inkerman	Aylmer, Que.
Andrew Ernest Thompson	Dovercourt	Kendal, Ont.
Keith Laird	Windsor	Windsor, Ont.
Mary Elizabeth Kinnear	Welland	Port Colborne, Ont.
Herbert Orville Sparrow	The Battlefords	North Battleford, Sask.
Richard James Stanbury	York Centre	Toronto, Ont.
Donald Allan McLean	Charlotte County	Black's Harbour, N.B.
Hervé J. Michaud	Kent	Buctouche, N.B.
William John Petten	Bonavista	St. John's, Nfld.
Raymond Eudes	De Lorimier	Montreal, Que.
Paul Martin, P.C.	Windsor-Walkerville	Windsor, Ont.
Louis de Gonzague Giguère	De la Durantaye	Montreal, Que.
Ernest C. Manning, P.C.	Edmonton West	Edmonton, Alta.
Gildas L. Molgat	Ste. Rose	Winnipeg, Man.
Eugene A. Forsey	Nepean	Ottawa, Ont.
William C. McNamara	Winnipeg	Winnipeg, Man.
Paul C. Lafond	Gulf	Hull, Que.
Ann Elizabeth Haddon Heath	Nanaimo-Malaspina	Nanaimo, B.C.
Edward M. Lawson	Vancouver	Vancouver, B.C.
H. Carl Goldenberg	Rigaud	Westmount, Que.
George Clifford van Roggen	Vancouver-Point Grey	Vancouver, B.C.
Sidney L. Buckwold	Saskatoon	Saskatoon, Sask.
Renaude Lapointe	Mille Isles	Montreal, Que.
Mark Lorne Bonnell	Murray River	Murray River, P.E.I.
Guy Williams	Richmond	Richmond, B.C.
Michel Fournier	Restigouche-Gloucester	Pointe Verte, N.B.
Frederick William Rowe	Lewisporte	St. John's, Nfld.
George James McIlraith, P.C.	Ottawa Valley	Ottawa, Ont.
Margaret Norrie	Colchester-Cumberland	Truro, N.S.
Henry D. Hicks	The Annapolis Valley	Halifax, N.S.
Bernard Alasdair Graham	The Highlands	Sydney, N.S.
Martial Asselin, P.C.	Stadacona	La Malbaie, Que.
Arthur Laing, P.C.	Vancouver South	Vancouver, B.C.
John James Greene, P.C.		Niagara Falls, Ont.
Joseph Julien Jean-Pierre Côté, P.C.	Kennebec	Longueuil, Que.
Joan Neiman	Peel	Caledon East, Ont.

SENATORS OF CANADA

ALPHABETICAL LIST

At Dissolution, September 1, 1972

Senators	Designation	Post Office Address
THE HONOURABLE		
Aird, John B	Toronto	Toronto, Ont.
Argue, Hazen	Regina	Kayville, Sask.
Asselin, Martial, P.C.	Stadacona	La Malbaie, Que.
Basha, Michael G.	West Coast	Curling, Nfld.
Beaubien, L. P.	Bedford	Montreal, Que.
Belisle, Rhéal	Sudbury	Sudbury, Ont.
Benidickson, W. M., P.C.	Kenora-Rainy River	Kenora, Ont.
Blois, Fred M.	Colchester-Hants	Truro, N.S.
Bonnell, M. Lorne	Murray River	Murray River, P.E.I.
Boucher, William A.	Prince Albert	Prince Albert, Sask.
Bourget, Maurice, P.C.	The Laurentides	Lévis, Que.
Bourque, Romuald	De la Vallière	Outremont, Que.
Buckwold, Sidney L.	Saskatoon	Saskatoon, Sask.
Burchill, G. Percival	Northumberland-Miramichi	Nelson-Miramichi, N.B.
Cameron, Donald	Banff	Banff, Alta.
Carter, Chesley W.	The Grand Banks	St. John's Nfld.
Choquette, Lionel	Ottawa East	Ottawa, Ont.
Connolly, Harold	Halifax North	Halifax, N.S.
Connolly, John J., P.C.	Ottawa West	Ottawa, Ont.
Cook, Eric	Harbour Grace	St. John's, Nfld.
Côté, Joseph Julien Jean-Pierre, P.C.	Kennebec	Longueuil, Que.
Croll, David A.	Toronto-Spadina	Toronto, Ont.
Davey, Keith	York	Don Mills, Ont.
Denis, Azellus, P.C.	La Salle	Montreal, Que.
Deschatelets, Jean-Paul, P.C. (Speaker)	Lauzon	Montreal, Que.
Desruisseaux, Paul	Wellington	Sherbrooke, P.Q.
Duggan, James	Avalon	St. John's Nfld.
Eudes, Raymond	De Lorimier	Montreal, Que.
Everett, Douglas D.	Fort Rouge	Winnipeg, Man.
Fergusson, Muriel McQ.	Fredericton	Fredericton, N.B.
Flynn, Jacques, P.C.	Rougemont	Quebec, Que.
Forsey, Eugene A.	Nepean	Ottawa, Ont.
Fournier, Edgar	Madawaska-Restigouche	Iroquois, N.B.
Fournier, Michel	Restigouche-Gloucester	Pointe Verte, N.B.
Fournier, Sarto	De Lanaudière	Montreal, Que.
Gélinas, Louis P.	Montarville	Montreal, Que.
Giguère, Louis de G.	De la Durantaye	Montreal, Que.
Goldenberg, H. Carl	Rigaud	Westmount, Que.
Gouin, L. M.	De Salaberry	Montreal, Que.
Graham, Bernard Alasdair	The Highlands	Sydney, N.S.
Greene, John James, P.C.		Niagara Falls, Ont.
Grosart, Allister	Pickering	Toronto, Ont.
Haig, J. Campbell	River Heights	Winnipeg, Man.

Senators	Designation	Post Office Address
THE HONOURABLE		
Hastings, Earl A.	Palliser-Foothills	Calgary, Alta.
Hayden, Salter A.	Toronto	Toronto, Ont.
Hays, Harry, P.C.	Calgary	Calgary, Alta.
Heath, A. E. Haddon	Nanaimo-Malaspina	Nanaimo, B.C.
Hicks, Henry D.	The Annapolis Valley	Halifax, N.S.
Inman, F. Elsie	Murray Harbour	Montague, P.E.I.
Isnor, Gordon B.	Halifax-Dartmouth	Halifax, N.S.
Kickham, Thomas J.	Cardigan	Souris, P.E.I.
Kinnear, Mary E.	Welland	Port Colborne, Ont.
Lafond, Paul C.	Gulf	Hull, Que.
Laing, Arthur, P.C.	Vancouver South	Vancouver, B.C.
Laird, Keith	Windsor	Windsor, Ont.
Lamontagne, Maurice, P.C.	Inkerman	Aylmer, Que.
Lang, Daniel A.	South York	Toronto, Ont.
Langlois, Leopold	Grandville	Quebec, Que.
Lapointe, Renaude	Mille Isles	Montreal, Que.
Lawson, Edward M.	Vancouver	Vancouver, B.C.
Lefrançois, J. Eugène	Repentigny	Montreal, Que.
Macdonald, John M.	Cape Breton	North Sydney, N.S.
Macnaughton, Alan, P.C.	Sorel	Montreal, Que.
Manning, Ernest C., P.C.	Edmonton West	Edmonton, Alta.
Martin, Paul, P.C.	Windsor-Walkerville	Windsor, Ont.
McDonald, A. Hamilton	Moosomin	Moosomin, Sask.
McElman, Charles	Nashwaak Valley	Fredericton, N.B.
McGrand, Fred A.	Sunbury	Fredericton Junction, N.B.
McIlraith, George, P.C.	Ottawa Valley	Ottawa, Ont.
McLean, Donald A.	Charlotte County	Black's Harbour, N.B.
McNamara, William C.	Winnipeg	Winnipeg, Man.
Michaud, Hervé J.	Kent	Buctouche, N.B.
Molgat, Gildas L.	Ste. Rose	Winnipeg, Man.
Molson, Hartland de M.	Alma	Montreal, Que.
Neiman, Joan	Peel	Caledon East, Ont.
Nichol, John	Lion's Gate	Vancouver, B.C.
Norrie, Margaret	Colchester-Cumberland	Truro, N.S.
O'Leary, M. Grattan	Carleton	Ottawa, Ont.
Paterson, Norman McL.	Thunder Bay	Thunder Bay, Ont.
Petten, William J.	Bonavista	St. John's, Nfld.
Phillips, Orville H.	Prince	Alberton, P.E.I.
Prowse, J. Harper	Edmonton	Edmonton, Alta.
Quart, Josie D.	Victoria	Quebec, Que.
Rattenbury, Nelson	Southern New Brunswick	Saint John, N.B.
Rowe, Frederick William	Lewisporte	St. John's, Nfld.
Smith, Donald	Queens-Shelburne	Liverpool, N.S.
Sparrow, Herbert O.	The Battlefords	North Battleford, Sask.
Stanbury, Richard J.	York Centre	Toronto, Ont.
Sullivan, Joseph A.	North York	Toronto, Ont.
Thompson, Andrew	Dovercourt	Kendal, Ont.
van Roggen, George	Vancouver-Point Grey	Vancouver, B.C.
Walker, David, P.C.	Toronto	Toronto, Ont.
Welch, Frank C.	Kings	Wolfville, N.S.
White, George S., P.C.	Hastings-Frontenac	Madoc, Ont.
Williams, Guy	Richmond	Richmond, B.C.
Yuzyk, Paul	Fort Garry	Winnipeg, Man.

SENATORS OF CANADA

BY PROVINCES

At Dissolution, September 1, 1972

ONTARIO—24

Senators	Designation	Post Office Address
THE HONOURABLE		
1 Salter Adrian Hayden	Toronto	Toronto.
2 Norman McLeod Paterson	Thunder Bay	Thunder Bay.
3 John J. Connolly, P.C.	Ottawa West	Ottawa.
4 David A. Croll	Toronto-Spadina	Toronto.
5 George Stanley White, P.C.	Hastings-Frontenac	Madoc.
6 Joseph A. Sullivan	North York	Toronto.
7 Lionel Choquette	Ottawa East	Ottawa.
8 M. Grattan O'Leary	Carleton	Ottawa.
9 Allister Grosart	Pickering	Toronto.
10 David James Walker, P.C.	Toronto	Toronto.
11 Rhéal Belisle	Sudbury	Sudbury.
12 Daniel Aiken Lang	South York	Toronto.
13 John B. Aird	Toronto	Toronto.
14 William Moore Benidickson, P.C.	Kenora-Rainy River	Kenora.
15 Douglas Keith Davey	York	Don Mills.
16 Andrew Ernest Thompson	Dovercourt	Kendal.
17 Keith Laird	Windsor	Windsor.
18 Mary Elizabeth Kinnear	Welland	Port Colborne.
19 Richard James Stanbury	York Centre	Toronto.
20 Paul Martin, P.C.	Windsor-Walkerville	Windsor.
21 Eugene A. Forsey	Nepean	Ottawa.
22 George James McIlraith, P.C.	Ottawa Valley	Ottawa.
23 John James Greene, P.C.		Niagara Falls.
24 Joan Neiman	Peel	Caledon East.

QUEBEC—24

	Senators	Electoral Division	Post Office Address
	THE HONOURABLE		
1	Léon Mercier Gouin	De Salaberry	Montreal.
2	Sarto Fournier	De Lanaudière	Montreal.
3	Hartland de Montarville Molson	Alma	Montreal.
4	J. Eugène Lefrançois	Repentigny	Montreal.
5	Josie Alice Dinan Quart	Victoria	Quebec.
6	Louis Phillippe Beaubien	Bedford	Montreal.
7	Jacques Flynn, P.C.	Rougemont	Quebec.
8	Maurice Bourget, P.C.	The Laurentides	Lévis.
9	Louis P. Gélinas	Montarville	Montreal.
10	Romuald Bourque	De la Vallière	Outremont.
11	Azellus Denis, P.C.	La Salle	Montreal.
12	Jean-Paul Deschatelets, P.C. (Speaker)	Lauzon	Montreal.
13	Alan Aylesworth Macnaughton, P.C.	Sorel	Montreal.
14	J. G. Leopold Langlois	Grandville	Quebec.
15	Paul Desruisseaux	Wellington	Sherbrooke.
16	Maurice Lamontagne, P.C.	Inkerman	Aylmer.
17	Raymond Eudes	De Lorimier	Montreal.
18	Louis de Gonzague Giguère	De la Durantaye	Montreal.
19	Paul C. Lafond	Gulf	Hull.
20	H. Carl Goldenberg	Rigaud	Westmount.
21	Renaude Lapointe	Mille Isles	Montreal.
22	Martial Asselin, P.C.	Stadacona	La Malbaie.
23	Joseph Julien Jean-Pierre Côté, P.C.	Kennebec	Longueuil.
24			

NOVA SCOTIA–10

Senators	Designation	Post Office Address
THE HONOURABLE		
1 Gordon B. Isnor	Halifax-Dartmouth	Halifax.
2 Donald Smith	Queens-Shelburne	Liverpool.
3 Harold Connolly	Halifax North	Halifax.
4 Frederick Murray Blois	Colchester-Hants	Truro.
5 John Michael Macdonald	Cape Breton	North Sydney.
6 Frank C. Welch	Kings	Wolfville.
7 Margaret Norrie	Colchester-Cumberland	Truro.
8 Henry D. Hicks	The Annapolis Valley	Halifax.
9 Bernard Alasdair Graham	The Highlands	Sydney.
10		

NEW BRUNSWICK–10

THE HONOURABLE		
1 George Percival Burchill	Northumberland-Miramichi	Nelson-Miramichi.
2 Muriel McQueen Fergusson	Fredericton	Fredericton.
3 Fred A. McGrand	Sunbury	Fredericton Junction.
4 Edgar Fournier	Madawaska-Restigouche	Iroquois.
5 Nelson Rattenbury	Southern New Brunswick	Saint John.
6 Charles Robert McElman	Nashwaak Valley	Fredericton.
7 Donald Allan McLean	Charlotte County	Black's Harbour.
8 Hervé J. Michaud	Kent	Buctouche.
9 Michel Fournier	Restigouche-Gloucester	Pointe Verte.
10		

PRINCE EDWARD ISLAND–4

THE HONOURABLE		
1 Florence Elsie Inman	Murray Harbour	Montague.
2 Orville Howard Phillips	Prince	Alberton.
3 Thomas Joseph Kickham	Cardigan	Souris.
4 M. Lorne Bonnell	Murray River	Murray River.

MANITOBA–6

Senators	Designation	Post Office Address
THE HONOURABLE		
1 J. Campbell Haig	River Heights	Winnipeg.
2 Paul Yuzyk	Fort Garry	Winnipeg.
3 Douglas Donald Everett	Fort Rouge	Winnipeg.
4 Gildas L. Molgat	Ste. Rose	Winnipeg.
5 William C. McNamara	Winnipeg	Winnipeg.
6		

BRITISH COLUMBIA–6

THE HONOURABLE		
1 John Lang Nichol	Lion's Gate	Vancouver.
2 Ann Elizabeth Haddon Heath	Nanaimo-Malaspina	Nanaimo.
3 Edward M. Lawson	Vancouver	Vancouver.
4 George Clifford van Roggen	Vancouver-Point Grey	Vancouver.
5 Guy Williams	Richmond	Richmond.
6 Arthur Laing, P.C.	Vancouver South	Vancouver.

SASKATCHEWAN–6

THE HONOURABLE		
1 William Albert Boucher	Prince Albert	Prince Albert.
2 Alexander Hamilton McDonald	Moosomin	Moosomin.
3 Hazen Robert Argue	Regina	Kayville.
4 Herbert Orville Sparrow	The Battlefords	North Battleford.
5 Sidney L. Buckwold	Saskatoon	Saskatoon.
6		

ALBERTA–6

THE HONOURABLE		
1 Donald Cameron	Banff	Banff.
2 Earl Adam Hastings	Palliser-Foothills	Calgary.
3 Harry William Hays, P.C.	Calgary	Calgary.
4 James Harper Prowse	Edmonton	Edmonton.
5 Ernest C. Manning, P.C.	Edmonton West	Edmonton.
6		

NEWFOUNDLAND—6

Senators	Designation	Post Office Address
THE HONOURABLE		
1 Michael G. Basha	West Coast	Curling.
2 Eric Cook	Harbour Grace	St. John's.
3 Chesley William Carter	The Grand Banks	St. John's.
4 James Duggan	Avalon	St. John's.
5 William John Petten	Bonavista	St. John's.
6 Frederick William Rowe	Lewisporte	St. John's.

THE SENATE

Officers and Chiefs of Principal Branches

Clerk of the Senate and Clerk of the Parliaments	Robert Fortier, Q.C., B.A., LL.B.
Law Clerk and Parliamentary Counsel	E. Russell Hopkins, B.A., LL.B.
First Clerk Assistant	Alcide Paquette, B.A.
Gentleman Usher of the Black Rod	A. G. Vandelac, M.C., C.D.
Director of Committees	**Pierre Godbout, Q.C., B.A., LL.L.**
Director of Administration and Personnel	J. Walter Dean
Editor of Debates and Chief of Reporting Branch	Graydon Hagen
Chief of Minutes and Journals (English)	Mrs. Jean F. Sutherland
Chief of Minutes and Journals (French)	Miss Madeleine Ouimet
Assistant Gentleman Usher of the Black Rod	Alfred Fortier, E.D., C.D.
Postmaster	Harold King
Supervisor of Stenographic Service (English)	Miss Edith Wray
Supervisor of Stenographic Service (Bilingual)	Mrs. Jocelyne Latrémouille
Chief of Stationery Branch and Furniture Control Officer	Hugh S. McCulloch
Chief of Joint Distribution Office	J. E. Levesque
Chief of Protective Service	W. Maheux
Manager of Parliamentary Restaurant	W. Pentecost

Parliamentary Reporters

T. S. Hubbard, (*Assistant Chief of Reporting Branch*)
G. R. Baker, (*Associate Editor and Senior Reporter, English*)
J. R. Langlois (*Associate Editor and Senior Reporter, French*)

H. D. Griffith, Aurèle Chenier, Lorcan OhUiginn,
W. J. Culleton, G. K. Hubbard, D. L. Sellers,
A. A. Gallagher, L. R. Powis

Assistant Parliamentary Reporters
Maurice Bolduc, N. C. Keeley, Paul R. Winegarden

TRANSLATORS

Bureau for Translations

Department of Secretary of State

Director, Parliamentary and Foreign Languages Divisions	Raymond Aupy
Chief of Debates Division	Jacques Pelletier

LIBRARY OF PARLIAMENT

Parliamentary Librarian	Erik J. Spicer, C.D., B.A., B.L.S., M.A.L.S.
Associate Parliamentary Librarian	Gilles J. C. Frappier, B.A., B.Ph., B.L.S.

THE SENATE

Thursday, February 17, 1972

OPENING OF FOURTH SESSION TWENTY-EIGHTH PARLIAMENT

Parliament having been summoned by Proclamation to meet this day for the dispatch of business:

The Senate met at 10.30 a.m., the Speaker in the Chair.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

The Hon. the Speaker: Honourable senators, I have received the following communication:

GOVERNMENT HOUSE
OTTAWA

February 17, 1972

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the main entrance of the Parliament Buildings at 10.35 a.m. on this day, Thursday the 17th of February, 1972, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Fourth Session of the Twenty-eighth Parliament of Canada.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At 11 a.m. His Excellency the Governor General proceeded to the Senate Chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to open the Fourth Session of the Twenty-eighth Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

This reunion of your two Houses with the Representative of the Crown marks the beginning of the Fourth Session of the 28th Parliament of Canada.

Before proceeding to the business of the new session I should like to thank you in the name of our Queen and on behalf of all Canadians for your efforts and accomplishments during the long Third Session which began the 8th of October 1970 and was concluded only yesterday.

During that period there was a continuing celebration of centennials connected with the foundation of the Canadian Confederation. Manitoba and the Northwest Territories concluded ceremonies which marked the 100th anniversary of their incorporation into the Dominion. The admission of British Columbia, which gave Canada its place on the Pacific Ocean, was commemorated in 1971 with much enthusiasm and a multitude of ceremonies and projects. As in the year before, our gracious Queen and other members of the Royal Family marked the event with an extensive tour, much to the delight of British Columbians and Canadians generally.

It gave my wife and me much satisfaction to take official part on several occasions in the British Columbia celebrations, as well as to travel abroad on behalf of Canada to The Netherlands, Belgium, Luxembourg and Iran, in response to invitations from the heads of these States so well disposed towards Canada.

Since last I addressed you some 16 months ago, events in Canada and elsewhere have continued to demonstrate the turbulence of this age of changing values and shifting attitudes. We have witnessed with sadness outbursts of violence beyond our shores as despairing men and women have chosen to settle their differences through the use of force, extending in some cases to actual war. We have witnessed as well a period of international economic uncertainty which affected all of the industrialized nations of the world and which has made us increasingly aware of our dependence on a strong economic base in the pursuit of our social goals.

We learned in months gone by that Canada was not immune from internal pressures. In October 1970 one of the most difficult national challenges in many years was met calmly, with discipline, and with the strong support of the people of Canada. There were sad moments but there were also memorable examples of resoluteness and courage.

More recently, we learned from another type of challenge, this time of an economic nature and coming from without rather than within, that Canada and Canadians possessed the stamina and the resilience to overcome this form of adversity as well.

Throughout, pressures for change around the world emphasized to us that the excitement and the promise of modern technological achievements become hollow and mocking to those who find in society little understanding of their hopes and little provision for their needs. In a period dominated by bigness, in an increasingly impersonal social system, one of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accomplishment, of fulfil-

ment, and removing from them their identity as individuals.

Isolation takes many forms in Canada—physical distance, social stigma, economic deprival. In each of those forms it represents a degree of rejection, of exclusion, of estrangement. This country fails in its essential purpose if it does not ensure that its most precious resource, human talent, is not wasted away. Our challenge is to remove the barriers that create isolation, to permit each Canadian to detect—even if not always able to fulfil—his own potential, to ensure that his image of Canada is one of promise and compassion.

Every one of us is enriched through involvement in this stimulating process we call Canada. Our goals and hopes are bound up in the restlessness and vitality of this rich land. We in this place have a special responsibility to help bring these goals and those hopes within reach, to make real the Canada of which our forefathers dreamed: a land so large that some of it will remain always serene and unspoiled; a society which believes in the dignity of every single individual; a community which husbands its resources and shares them justly among this generation and those to follow; an enterprise which permits and provokes each Canadian to contribute his skills and his talents.

There will be opportunity in this session of this Parliament to pursue these ends. The Government will lay before you proposals to continue the development of our national wealth, to deal more compassionately with those in our midst who require help, to involve more Canadians in the ferment and satisfaction of community activities, to protect our natural heritage, and to strengthen our sense of identity and our image of ourselves.

Economic security is one of the most effective forces with which to counter social isolation. Job opportunities must be found and income uncertainties overcome if all Canadians are to share in the richness of this land. To permit the protection and enhancement of those values and those rights which distinguish Canada as a human place, a sound economy is absolutely essential. The attainment of such an economy retains a high priority in the Government's continuing program. The social phenomenon of economic instability is present today in every industrialized country. We are fortunate that its ill effects have been less pronounced in Canada than elsewhere. Our success in increasing our real gross national product, in the creation of new jobs, and in the maintenance of price stability has been achieved through a policy which encourages an economic environment within which business and all elements of society are able to benefit. At the same time the Government has worked to strengthen and promote the economies of the less developed regions of Canada. Simultaneously, a range of programs has been introduced to deal with the specific problems of those localities and individuals affected by unemployment at different times of the year.

Unemployment continues to be a matter of intense concern to the Government and will remain a primary focus of attention and action. Co-operation with the business and industrial communities will be extended even further to ensure a favourable business climate. As the economy continues to gain momentum, the private sector will be able increasingly to provide jobs for those Canadians in need of them. The Government will nevertheless redouble its efforts to make sure that as many jobs as possible are available and that the fullest possible use is made of the skills and initiatives of those who are seeking work. It will at the same time continue to exert its influence to prevent the erosion of incomes through the maintenance of reasonably stable prices of the goods and services required by Canadians.

Our economy is dependent, as are the economies of all industrialized countries, on the imagination of entrepreneurs and their use of research and innovation, as well as upon a rational industrial strategy. You will be informed in months to come of government proposals for improved policies in these areas which will be of immense importance to the long term development of our country: of policies for the use of science and technology designed to contribute not only to industry but to the qualitative improvement of the life of Canadians, of an industrial strategy prepared for the peculiar character of the Canadian economy. The basis of each will be spelled out as the session proceeds.

For more than a decade an issue which has attracted increasing interest and growing debate in this country has been that of the control of our economic environment. The debate has emphasized the dual aspects of Canada's identity and of economic benefit for Canadians. Further steps will be taken towards the resolution of this issue.

These policy proposals have been designed with a blend of realism and imagination, as Canada itself was designed more than a century ago. They are intended to permit this country to attain a degree of leadership and independence in selected fields of endeavour while reducing overall Canadian vulnerability to events both expected and unexpected from beyond our shores.

A further imperative in the structuring of strong internationally competitive industry is the development of a modern and workable competition policy. The development of such a policy, designed to achieve an efficient and innovative economy, capable of rapid growth and dynamic change, must proceed through consultation with all sectors of Canadian society. During the coming weeks the Government will continue this consultative process and will place before Parliament a revised policy reflecting the informed and constructive comments received and assistance gained.

A major factor in the strength of the Canadian economy is provided by exports. The Government will pursue vigorously the initiatives it has taken throughout the world to develop and maintain Canadian markets. Those advantages already gained by ministerial missions to other countries will be enlarged in a number of ways. One of these will involve the provision of better credit facilities. The private financial sector will be encouraged to involve itself increasingly in export financing. The Government will continue to develop programs to strengthen secondary industry. Closer scientific and technological co-operation with other countries can be expected. Trade negotiations will seek to enlarge opportunities for Canadian manufacturers and the consultative machinery with the European Economic Community and its member states will be strengthened. Negotiations will continue with the

United States so as to extend the benefits gained by each member of the world's most important trading partnership.

Policies designed to promote a related, yet distinct, sector of the economy, tourism, will be revealed in coming weeks.

A basic building block in the growth of Canada's national wealth has been the performance of our resource and energy industries. Over the years they have opened new frontiers and stimulated the development of the sinews and muscles of Canada; they have accumulated capital for reinvestment, enhanced the scientific and technical skills of Canadians, and accounted for a healthy export surplus. A continuation and strengthening of government-industry relations is necessary in order that such areas of challenge as environmental impact and the increasing demand both within Canada and abroad for resources and energy be fully addressed.

The competitive requirements for northern development will continue to be recognized; development will not be permitted at the expense of the northern peoples and the northern environment. To ensure the involvement of the residents of the north, and their participation in the design of their own future, there will be continued support for the development of local government in the northern territories.

Canada's primary food producers—our farmers and our fishermen—form one of the traditional and still basic strengths of our economy. Their continued productivity and livelihood is of immense importance to the Government and to the country. Improvements and achievements of the past several months will be strengthened and continued. Measures already undertaken and which have substantially improved prices to fishermen—upwards of 50 percent in some cases—will be extended, ensuring that the benefits of price support for fish products go to the fishermen themselves. Wheat farmers will be assured of an increased return equivalent to the higher price for wheat consumed as food by Canadians. To avoid distortions in food prices, the cost of this program will be borne by the Treasury rather than by the consumer; to avoid distortions in production, a formula for distribution will be proposed which relates payments to grain acreage rather than to actual wheat production. The Government will assist further the position of farmers and fishermen through the implementation of several programs. It proposes the establishment of new national marketing agencies and the implementation of a small farm development program. The recent extensions of fisheries closing lines will permit the Government to engage more actively in the management of its marine resources so as to increase the supply of fish available to Canadian fishermen in the waters off our coasts.

Both the effectiveness and the quality of any program for the provision of services to Canadians depends increasingly upon a harmonious fiscal relationship between the federal government and the governments of the ten provinces. Legislation will be introduced, therefore, proposing the renewal and improvement of equalization arrangements, increasing to 100 percent the level of stabilization of provincial revenues, and a number of other items. These will include the administration on behalf of requesting provinces of succession duties and gift taxes, the extension for two years of the transfers to provinces respecting post-secondary education, the provision of a five-year revenue guarantee to provinces to protect their income tax revenues under the new system, and the sharing with provinces of the special tax on undistributed corporate income.

As a further protection against the isolation of individuals caused by economic deprivation, the fundamental reform of protective measures which commenced last year with the new Unemployment Insurance Act will continue. A new Canada Labour Code, reflecting the many representations received in past months, will be introduced as will important amendments to the Fair Employment Practices Act. The Canada Manpower programs will be improved and additional steps will be taken to make the training and placement services adequate to the needs of specially disadvantaged people whose particular problems present challenges which cannot be met with the use of regular program resources or techniques. For those persons seeking to further their education, the loan limits under the Canada Student Loans Act will be raised, permitting students to borrow more within a given year and increasing significantly the total amount available under the program.

The isolation which is a product of social injustice is less well understood than that which comes from economic denial. Nevertheless, its consequences dare not be ignored by any society. The irony of isolation in an urban surrounding cannot be resolved by any single act. One essential, however, is the provision of adequate housing of high standard to all Canadians. More dwelling units were started in 1971 than in any single year in our history, including a record number for lower income families. It is clear, however, that Canada's housing needs cannot be met only through increases in scale. What is required, and what the Government will be proposing, are fresh concepts, continuing research, and imagination in neighbourhood improvement with emphasis on the need for low-cost housing.

In order to achieve our goal of full participation by all members of society, all barriers leading to isolation must be removed. We cannot invite respect for our laws and support for our institutions from persons to whom they are irrelevant or ineffective. Government activities must reflect the needs of all Canadians, not only the favoured. A giant step in this direction was taken with the adoption last session of tax reform legislation which spreads more evenly the burden of social services on those Canadians best able to bear it. Another step, and long overdue, consists of policies to ensure the equality of women in Canadian society. These will be announced this session.

Protective steps will be proposed in a number of areas of wide concern to Canadians—the non-medical use of drugs, compensation for victims of crime, and the protection of privacy. Progress toward more humane treatment of offenders will continue with further reforms in the penal and parole systems. Amendments will be proposed for reforms in the administration of the criminal law. The Government is committed as well to federal participation in legal aid subject to satisfactory cost-sharing and administrative details being worked out.

It is the view of the Government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income. Considerable progress towards the goal of a total income security program for all Canadians is achieved in the new Family Income Security Plan bill which will be presented for your consideration. The emphasis in this plan is on protection and is consistent with the Government's belief in the strong sense of self-reliance of Canadians.

The pride with which Canadians regard this country and which inspires them to identify with it springs from many sources. Some of these are physical in nature, some cultural, still others are economic. Canadians find in the vast spaces of this land, in its rugged coasts, in its throbbing vitality and in its serene tranquility something of themselves. It is the intention of the Government that immense areas of Canada be preserved in their natural state for the enjoyment of this generation and of generations to come. For the first time some of the grandeur and the wilderness which is Canada's north will be guaranteed perpetual preservation through incorporation into the National Parks System. You will be asked to approve legislation which will create three new parks north of the 60th parallel, each as large and as spectacular as any in the world. These three parks, plus the seven new parks created since 1968, mean that for the first time in our history every province and territory will include within it a national park for the benefit of our people.

Companion legislation will be introduced to provide wildlife habitats and to protect certain endangered wildlife species.

While taking care to preserve for the future, we should, wherever possible, preserve and restore those achievements of the past which are an essential element in our self-understanding as a people. You will be asked to consider, therefore, a bill creating and endowing a corporation to be known as Heritage Canada which will go far to ensure the preservation of items and collections from Canada's past and to make these accessible for the enjoyment and understanding of Canadians in all parts of the country. Heritage Canada, complemented by a broadened National Museums policy, will demonstrate the achievements of our fore-fathers and their successes in overcoming physical isolation and in converting dreams into reality.

Still another form of isolation springs from indifferent communications services. It is a matter of concern to the Government that at this moment many communities do not receive the national broadcasting service and that some one million Canadians in 260 communities receive no television service in their own language. The Government proposes, therefore, that the C.B.C. be authorized to extend its services in a comprehensive fashion and to utilize the capabilities of Canada's pioneer satellite communications system to assure within a five year period that at least 98 percent of Canadians are served.

The standards against which a society is judged by others and by history are often those chosen by the society itself. The image it projects, the values to which it adheres, the treatment it accords the disadvantaged in its midst; these are matters for each society to determine, and in determining to be judged. In our relations with one another, in federal-provincial relations, in Canada's relations with other countries, our values are both guides and distinguishing features. Canada is committed to the betterment of life for all, to the resolution of differences by reason not force, to the practice of tolerance, to the acceptance of love and understanding as the most important of human traits. The Government, therefore, will continue to participate fully in international efforts for peace and for the well-being of people everywhere. It will continue to do what it can on behalf of the Canadian people to assist those who are afflicted by calamities, both natural and man-made.

[The Hon. the Speaker.]

The fluidity in world affairs marked by events in the past months and those expected in the near future present to us an opportunity to deepen and enrich our relationships with our old friends and to seek and strengthen friendships with others both within and without the councils and agencies of the United Nations. Isolation within the international community is as barren and damaging as is isolation within a domestic society. The visits to Canada in 1971 of such distinguished Heads of State and Government as the Presidents of Yugoslavia, Nauru and Niger, and the Prime Ministers of the United Kingdom, the Soviet Union, Ceylon, Ghana, Malaysia, Fiji, Senegal, and Israel illustrate the universality of Canada's attitude to the world.

Canada's lines of communication and understanding continue to stand open in all directions. In particular, our ties with our friends in the new Europe and our attachment to the United States remain of the greatest importance. A United States which is strong, dynamic and outward looking is vital to the success of Canada's international endeavours and to our ability to contribute to the well-being of fellow Commonwealth countries and of those states in receipt of Canadian economic assistance including the fellow members of l'Agence de Coopération culturelle et technique des pays francophones to whose important conference we acted with pride as host last autumn. The Government and all Canadians anticipate with considerable pleasure the visit to Canada this spring of the President of the United States and Mrs. Nixon.

Our age is marked by inconsistency. Within our societies, the trend all too often is toward increases in size and of impersonality in human relationships while on the planet itself the speed of communication has created a new intimacy among nations. In these circumstances, there is both challenge and opportunity for governments and for individuals. Canada is seized of the challenge. The Government pledges itself to turn the opportunities to the benefit of individual Canadians.

Members of the House of Commons:

During this session, you will be asked to grant the necessary funds for the services and expenditures authorized by Parliament.

Honourable Members of the Senate:

Members of the House of Commons:

The Prime Minister will lay before you today a list of bills that will be submitted to you during the session.

May Divine Providence guide you in your deliberations.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

Hon. A. Hamilton McDonald presented Bill S-1, relating to railways.

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION FEBRUARY 22

The Hon. the Speaker: Honourable senators, I have the honour to inform you that His Excellency has caused to be placed in my hands a copy of his speech delivered this day from the Throne to the two Houses of Parliament. It is as follows:

Hon. Senators: Dispense.

The Hon. the Speaker: Honourable senators, when shall this speech be taken into consideration?

Hon. A. Hamilton McDonald moved, seconded by Hon. Leopold Langlois:

> That the speech of His Excellency the Governor General delivered this day from the Throne to the two Houses of Parliament be taken into consideration on Tuesday, February 22.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. A. Hamilton McDonald moved, seconded by Hon. Donald Smith:

> That all senators present during this session be appointed a committee to consider the Orders and Customs of the Senate and Privileges of Parliament, and that the said committee have leave to meet in the Senate Chamber when and as often as they please.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move that the Senate do now adjourn until Tuesday, February 22, 1972, at 8 p.m.

Motion agreed to.

The Senate adjourned until Tuesday, February 22, at 8 p.m.

THE SENATE

Tuesday, February 22, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian to the Fourth Session of the Twenty-eighth Parliament, 1972.

Ordered: That the report do lie on the Table.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of contracts between the Government of Canada and the City of Red Deer, Alberta, the Town of Souris, Manitoba, and the Villages of Sherwood and Parkdale, Prince Edward Island, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Report of activities under the Prairie Farm Assistance Act for the Crop Year 1970-71, pursuant to section 12 of the said Act, chapter P-16, R.S.C., 1970.

Report of the Superintendent of Insurance for Canada, Volume III, Annual Statements of Life Insurance Companies and Fraternal Benefit Societies, for the year ended December 31, 1970, pursuant to section 8 of the Department of Insurance Act, chapter I-17, R.S.C., 1970.

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, January 12, January 26 and February 9, 1972, pursuant to section 7 of the Regulations Act, chapter R-5, R.S.C., 1970.

Report of operations under the Municipal Improvements Assistance Act for the year ended December 31, 1971, pursuant to section 11 of the said Act, chapter M-16, R.S.C., 1970.

Report of the National Arts Centre Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1971, pursuant to section 17 of the National Arts Centre Act, chapter N-2, R.S.C., 1970.

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955 to December 31, 1971.

Statement of the Chartered Banks of Canada showing Revenue, Expenses and Other Information for the fiscal year ended October 31, 1971, pursuant to section 119(1) of the Bank Act, chapter B-1, R.S.C., 1970.

Lists of shareholders in the Chartered Banks of Canada as at the end of the financial years ended in 1971, pursuant to section 119(1) of the Bank Act, chapter B-1, R.S.C., 1970.

List of shareholders in the Montreal City and District Savings Bank as at October 31, 1971, pursuant to section 101(1) of the Quebec Savings Banks Act, chapter B-4, R.S.C., 1970.

Report of the Department of Supply and Services, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1971, pursuant to section 12 of the Department of Supply and Services Act, chapter S-18, R.S.C., 1970.

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1971, pursuant to section 10 of the Prairie Farm Rehabilitation Act, chapter P-17, R.S.C., 1970.

Report of the Department of Regional Economic Expansion for the fiscal year ended March 31, 1971, pursuant to section 22 of the Department of Regional Economic Expansion Act, chapter R-4, R.S.C., 1970.

Report on the operation of the Regional Development Incentives Act and on "Special Area" incentives for the months of December 1971 and January 1972, pursuant to section 16 of the said Act, chapter R-3, R.S.C., 1970.

Annual Report to the Governments of the United States and Canada by the Columbia River Treaty Permanent Engineering Board for the period October 1, 1970 to September 30, 1971. (English text).

Report of the Department of Industry, Trade and Commerce for the fiscal year ended March 31, 1971, pursuant to section 8 of the Department of Industry, Trade and Commerce Act, chapter I-11, R.S.C., 1970.

Report of the Minister of Industry, Trade and Commerce under the Corporations and Labour Unions Returns Act (Part II, Labour Unions) for the fiscal periods ended in 1969, pursuant to section 18(1) of the said Act, chapter C-31, R.S.C., 1970.

Report on the administration of the Employment Support Act for the annual quarter ended December 31, 1971, pursuant to section 21 of the said Act, chapter 56, Statutes of Canada, 1970-72.

Copies of a contract between the Government of Canada and the Town of Unity, Saskatchewan, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Report of the Department of Indian Affairs and Northern Development for the fiscal year ended March 31, 1971, pursuant to section 7 of the Department of Indian Affairs and Northern Development Act, chapter I-7, R.S.C., 1970.

Report of the Department of Manpower and Immigration for the fiscal year ended March 31, 1971, pur-

suant to section 5 of the Department of Manpower and Immigration Act, chapter M-1, R.S.C., 1970.

Report of Permits issued under the authority of the Minister of Manpower and Immigration for the year ended December 31, 1971, pursuant to section 8(5) of the Immigration Act, chapter I-2, R.S.C., 1970.

SPEECH FROM THE THRONE

TERMINATION OF DEBATE ON ADDRESS IN REPLY ON EIGHTH SITTING DAY

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the proceedings on the order of the day for resuming the debate on the motion for an Address in Reply to His Excellency the Governor General's Speech from the Throne addressed to both Houses of Parliament be concluded on the eighth sitting day on which the order is debated.

Hon. Mr. Flynn: That is the same length of time as was provided at the beginning of the last session?

Hon. Mr. McDonald: Yes.

Motion agreed to.

INTERNAL ECONOMY

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

That the Standing Committee on Internal Economy, Budgets and Administration be empowered, without special reference by the Senate, to consider any matter affecting the internal economy of the Senate, and that it report the result of such consideration to the Senate.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

That, for the duration of the present Session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

Hon. Mr. Flynn: Honourable senators, I should like to inquire from the acting leader, since all these problems are left to him, and the leader himself wants to stay away from them, what is meant by "in the opinion of the Honourable the Speaker"? Does it mean the opinion of the Leader of the Government alone, or is there more consultation than that?

Hon. Mr. Martin: I am sure there will be consultation with the Leader of the Government, who wishes to be associated with all things.

Hon. Mr. Flynn: I know, but I was just wondering whether it was the Leader of the Government alone.

Hon. Mr. Martin: The Leader of the Opposition included.

Hon. Mr. Flynn: Excluded?

Hon. Mr. Martin: Included.

Hon. Mr. Flynn: That will be something new.

Motion agreed to.

• (2010)

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT ON FOREIGN AND COMMONWEALTH AFFAIRS

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report to the Senate from time to time on any matter relating to foreign and Commonwealth affairs generally, on any matter assigned to the said committee by the Rules of the Senate, and, in particular, without limiting the generality of the foregoing, on any matter concerning the Pacific area with particular emphasis on the position set out in the policy paper "Foreign Policy for Canadians: Pacific";

That the said committee be empowered to engage the services of such counsel and technical, clerical and other personnel as may be required for the foregoing purposes, at such rates of remuneration and reimbursement as the committee may determine, and to compensate witnesses by reimbursement of traveling and living expenses, if required, in such amount as the committee may determine; and

That the papers and evidence received and taken on the examination of the Pacific area in the preceding session be referred to the committee.

Motion agreed to.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT ON THE PAROLE SYSTEM IN CANADA

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

That the Standing Senate Committee on Legal and Constitutional Affairs be authorized to examine and report upon all aspects of the parole system in Canada;

That the said committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the said examination;

That the committee, or any subcommittee so authorized by the committee, may adjourn from place to place inside or outside Canada for the purpose of carrying out the said examination; and

That the papers and evidence received and taken on the subject in the preceding session be referred to the committee.

Motion agreed to.

BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the names of the honourable Senators Carter, Croll, Macnaughton and Smith be substituted for those of the honourable Senators Buckwold, Goldenberg, Lafond and McElman on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

SCIENCE POLICY

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Maurice Lamontagne moved, with leave of the Senate and notwithstanding Rule 44(1)(d):

That a special committee of the Senate be appointed to consider and report on the science policy of the federal government with the object of appraising its priorities, its budget and its efficiency in the light of the experience of other industrialized countries and of the requirements of the new scientific age and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) recent trends in research and development expenditures in Canada as compared with those in other industrialized countries;

(b) research and development activities carried out by the federal government in the fields of physical, life and human sciences;

(c) federal assistance to research and development activities carried out by individuals, universities, industry and other groups in the three scientific fields mentioned above; and

(d) the broad principles, the long-term financial requirements and the structural organization of a dynamic and efficient science policy for Canada;

That the committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to examine witnesses, to report from time to time, to print such papers and evidence from day to day as may be ordered by the committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the papers and evidence received and taken on the subject in preceding sessions be referred to the committee; and

That the committee be composed of the honourable Senators Aird, Bélisle, Blois, Bourget, Cameron, Carter, Desruisseaux, Giguère, Grosart, Haig, Hays, Kinnear, Lamontagne, Lang, McGrand, Nichol, O'Leary, Phillips, Sullivan, Thompson and Yuzyk.

Motion agreed to.

POVERTY

APPOINTMENT OF SPECIAL COMMITTEE

Hon. David A. Croll moved, with leave of the Senate:

That a special committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the committee be authorized to print such papers and evidence from day to day as may be ordered by the committee, to adjourn from place to place, and notwithstanding Rule 76(4), to sit during sittings and adjournments of the Senate;

That the evidence taken on the subject during the preceding sessions be referred to the committee; and

That the committee be composed of the honourable Senators Bélisle, Carter, Connolly (*Halifax North*), Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Quart and Sparrow.

He said: Honourable senators, this motion is in the same terms as in the Second and Third Sessions of the Twenty-eighth Parliament.

The Hon. the Speaker: I would remind honourable senators that all these motions are debatable.

Hon. Mr. Croll: The motion is in the same terms with the exception that the name of the late Senator Roebuck is eliminated.

Hon. Mr. Flynn: Why is this committee being reconstituted?

Hon. Mr. Croll: It is essential for this reason, that we have unsatisfied commitments and obligations. Our first printing was sold out and a second printing is in process but will not be ready until about March 10. I think the second printing will also be sold out eventually.

The documents involving the research material are being catalogued for the library and the Archives. This also gives the house an opportunity to continue with the debate. I know that ten or twelve members have indicated their desire to participate in the debate. I hope that many more will.

Some members require information from time to time and certain material has been supplied to them. There is

no doubt that others will require material and information as well. It is for these reasons that we require the committee to be reconstituted.

Hon. Jacques Flynn: I agree with the first purpose indicated by Senator Croll. If there is something that has to be done by the committee to complete its work then it should be reconstituted. As far as continuing the debate on the report is concerned, that motion is superfluous, because any honourable senator can draw the attention of the house to the report, and there is no need to reconstitute the committee for that purpose.

Hon. Mr. Martin: That is right.

Hon. Mr. Flynn: If it is only for terminating its work that it is necessary to reconstitute the committee, then I am in full agreement with the motion, but I do not think the second reason really applies.

Motion agreed to.

LABOUR RELATIONS

DISPUTE BETWEEN TREASURY BOARD AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS—QUESTIONS

Hon. Donald Cameron: Honourable senators, I should like to ask some questions of the Leader of the Government. I apologize for not giving him notice before, but if he wishes he can take this as notice now. I should like to ask a number of questions concerning the continuing anarchy being perpetrated against the Canadian people and the economy of Canada by small groups of trade union members allegedly in the name of collective bargaining.

When the air traffic controllers' strike was on, and these people naively thought they could compel the Prime Minister to recall Parliament in order to deal with the strike, the Prime Minister is reported to have said that he believed in letting the collective bargaining process run its course. In the light of that statement I have four questions to put to the Leader of the Government.

First, does the government not think that the so-called collective bargaining process has just about run its course so far as the IBEW is concerned?

The President of the Treasury Board is reported to have said that the government has asked the Public Service Staff Relations Board for permission to prosecute the leaders of the union and the designated personnel who, for nearly three weeks, have been flagrantly breaking the laws of Canada.

Second, how is it necessary for a sovereign government to have to ask one of its creations for permission to prosecute common law-breakers?

Third, granting that this supreme authority, the Public Service Staff Relations Board, deigns to give the Government of Canada permission to enforce the law of Canada, will the government prosecute these people to the full extent of the law, under which they are liable to fines of $100 per day?

Finally, does the government contemplate repealing the section of the Public Service Staff Relations Act which gives public servants the right to strike?

Hon. Paul Martin: Honourable senators, I shall have to take these questions as notice, as Senator Cameron suggested. I shall reply to them as soon as possible.

Hon. Jacques Flynn: Honourable senators, I would have asked almost the same questions as Senator Cameron, had he not done so. However, perhaps the government leader can give a short reply at the present time to the question: When does the government intend to do something about the awful situation that exists presently with respect to air traffic?

Hon. Mr. Walker: There is an election coming up.

Hon. Mr. Flynn: Let me tell what happened to me tonight. I left Quebec at 5.15 p.m. to arrive here at 6.25 p.m. on a flight going from Quebec via Ottawa to Toronto. As I entered the airport I heard an announcement over the loud speaker to the effect that travellers on flight 379 to Toronto would have to wait until 10.30 p.m. This situation has existed now for two weeks, and I wonder when the government will begin to look after the well-being of the people of Canada.

• (2020)

Hon. Mr. Walker: After the election.

Hon. Mr. Flynn: The government leader has nothing to say?

Hon. Mr. Martin: I would point out that my friend did not ask a question; he simply made a speech.

Hon. Mr. Flynn: Of course I asked a question. I asked when the government is going to act. To me the answer is quite clear—the government is simply going to do nothing, as usual.

Hon. Mr. Martin: My friend has answered his own question, if that is the reply he wants.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

The Senate proceeded to consideration of His Excellency the Governor General's speech at the opening of the session.

Hon. Sidney L. Buckwold moved, seconded by Hon. Renaude Lapointe:

> That the following Address be presented to His Excellency the Governor General of Canada:
>
> To His Excellency the Right Honourable Roland Michener, Chancellor and Principal Companion of the Order of Canada, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.
>
> May it please Your Excellency:
>
> We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

He said: Honourable senators, it is indeed a privilege for me to be given the honour of moving the motion for the Address in Reply to the Speech from the Throne. As a

relatively new senator, having been summoned to this chamber last November, I have been greatly impressed with the dedication of my fellow senators to their duties and responsibilities of government. I came to this chamber at a most interesting time, since there was a very great deal of activity during the period of November and December. I was privileged to participate in the tabling of the reports of certain Senate committees, first that of Senator Croll's Special Committee on Poverty, and then Senator Everett's National Finance Committee report entitled "Growth, Employment and Price Stability." Since that time we have received copies of Volume II of the report of Senator Lamontagne's Special Committee on Science Policy. I think all honourable senators will agree with me that these are very important documents and the work that has gone into their preparation has made a significant contribution to the well-being and development of Canada. I believe they have greatly enhanced the reputation of this upper chamber. It was a privilege to be present as a member of this chamber when these reports were tabled and to participate in the discussion of them. I was impressed by the reception which was given these reports across the nation.

I also had the opportunity of receiving my baptism by fire when the controversial Bill C-259, to amend the Income Tax Act, was considered and debated. At times the debate was heated; nevertheless, I believe the Senate performed its duty in respect to that legislation. The debate on the Farm Products Marketing Agencies bill also added to the excitement of the period. It provided an opportunity for becoming acquainted rather quickly with many of my colleagues, including both supporters of the government and those worthy honourable senators who sit opposite. I especially appreciate the leadership given by the Leader of the Government, the Honourable Paul Martin. I have known the honourable senator for many years. When I am in Saskatoon, Saskatchewan, many people ask after Senator Martin, and they ask me to pass on their regards to him. He is a respected Canadian, an outstanding parliamentarian who is dedicated to the service of his country. It is a privilege for me to serve with him on the government side of this chamber. I was impressed by the advice he gave me when I became a member here. He was convinced of the importance of the Senate as part of the Parliament of Canada, and he advised me to speak up and to bring before the Senate important items of interest to the citizens of Canada. He indicated that as Leader of the Government he was anxious to ensure that the Senate fulfilled its proper role in Parliament. I hope I will be able to live up to his advice.

I should also like to comment on the leadership given by my colleague on the opposite side, the Honourable Jacques Flynn. I have enjoyed him very much. He is a clever debater, an entertaining speaker, and a gentleman of good humour who carries out his duties in an exemplary manner.

Hon. Senators: Hear, hear.

Hon. Mr. Buckwold: I also express thanks to His Honour the Speaker for the guidance and counsel he gives in his difficult role in maintaining proper procedure and order in this chamber.

[Hon. Mr. Buckwold.]

The Speech from the Throne, delivered by His Excellency the Governor General last Thursday, is a wide-ranging human document, basically concerned with people and their well-being. To me the whole tone of the message contained in this Throne Speech is found in the following excerpt:

> In a period dominated by bigness, in an increasingly impersonal social system, one of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accomplishment, of fulfilment, and removing from them their identity as individuals.
>
> Isolation takes many forms in Canada—physical distance, social stigma, economic deprival. In each of those forms it represents a degree of rejection, of exclusion, of estrangement. This country fails in its essential purpose if it does not ensure that its most precious resource, human talent, is not wasted away. Our challenge is to remove the barriers that create isolation, to permit each Canadian to detect—even if not always able to fulfil—his own potential, to ensure that his image of Canada is one of promise and compassion.

• (2030)

In my opinion the key word in this whole statement is "isolation." The objective of the Government of Canada as outlined in the Throne Speech is the elimination or minimization of isolation in the Canadian nation. The word "isolation" is used eleven times in the Speech. Webster defines it as a state of being set apart from others. A government concerned with people is to be greatly admired for using this approach which represents, I believe, a major step in achieving a just society.

Honourable senators, let me discuss in general terms this isolation to which reference was made, and how absolutely essential it is that action be taken to change the present situation. I shall deal first with economic isolation, the setting apart of people who seek employment and cannot find it. This is indicated as one of the top priorities of proposed government action. Every possible means will be taken to stimulate the economy in order to provide jobs for our people. Admittedly, we have heavy unemployment today. There is no greater tragedy in the life of any individual than to be unable to find gainful employment. It is not easy to be a statistic, and statistics become impersonal in relation to the tragedy of the individual who is unemployed.

The government has been accused of deliberately creating unemployment. I suggest that it is irresponsible to make such a statement. There has been a tremendous growth in our work force. In a recent address Mr. Fred H. McNeil, the Executive Vice-President and General Manager of the Bank of Montreal, said:

> We have a labour force growing at almost twice the rate of any other industrialized nation. During the present decade, in fact, it has been calculated that more people in absolute numbers, not percentages, will enter the work force in Canada than in the United Kingdom, France, Belgium and the Netherlands combined.

That is a pretty impressive statement. Mr. McNeil continued:

> In order to reduce our unemployment to a respectable 4 per cent—

And even 4 per cent is too much.

> —next year and to provide jobs for new entrants to our labour force, our GNP would have to grow by 12 per cent, or more than double what is, in fact, likely.

So I say that we should be fair in assessing the tremendous achievement of the government in providing new jobs, as represented in the increase in the labour force during 1971.

Several years ago I had the privilege of serving on the National Productivity Council. At that time the great challenge facing the Council was in the necessity in the following five years, the period from 1960 to 1965, to create one million new jobs for Canadians. It seemed to be an impossible objective. I point out that a huge number of jobs have been created in the past five years, resulting in the addition of both men and women to the labour force in Canada.

We read all kinds of newspaper reports, and I suggest that very often the press is unfair to the government in its presentation of the facts. I should like to pass on to honourable senators a refreshing editorial which appeared in the Saskatoon *Star-Phoenix* on February 17, 1972, under the heading "Figures Incompletely Reported". It states in part:

> Unemployment figures for January were factually, but incompetently, reported last week by a Canadian Press writer. The figures themselves were correct enough, but they were arranged in an order which buried the significant facts and gave undeserved emphasis to subsidiary information. In newspaper circles such writing is criticized as "Backing into a Story".

I assume Senator O'Leary is well aware of this. The editorial continues:

> As a result, those who did not read the entire report were left with the impression basic employment in Canada had worsened within the last 12 months; whereas the official statistics indicated some improvement in it. True enough, January unemployment was worse than December's by 1.6 per cent of the labour force. But this is an entirely normal difference, resulting every year from the stoppage of many types of work in colder weather.
>
> This should have been noted at the beginning of the report. Even earlier than that and with more emphasis, it should have been shown unemployment last month was not quite so bad as it was in January, 1971. These are the only two months which may, with fairness, be compared; not this January with this December, but this January with last January. True, the improvement was small; but it was an improvement, not a loss as the CP report's leading paragraph implied. The decrease in unemployment was only 0.3 per cent in gross, and 0.2 per cent by seasonal adjustment; but it was there.

The editorial, in the last paragraph, says:

> Percentages are misleading; whole numbers are facts. And the basic fact in this case is that almost a quarter of a million more Canadians were employed this January than in January, 1971. Statistics Canada clearly showed this: 246,000 more in the labour force, plus 3,000 fewer unemployed, adds up to 249,000 more jobs filled this January than one year ago. That is the information which should have led off the CP report and been reflected into the headlines, instead of the misleading percentage figure which appeared.

The *Star Phoenix* is not always so favourably inclined editorially to the policy of the present government. It is refreshing to find a newspaper—this is the first time I have seen it—indicating that perhaps the Canadian people should be given a more unbiased report on statistics regarding the labour and unemployment situation.

This provides an occasion for me to compliment the former Minister of Manpower and Immigration, the Honourable Otto Lang, for doing an outstanding job in a difficult portfolio. I doubt whether any man has had to face greater pressure than did Mr. Lang while occupying that position. He is now the Minister of Justice, and the Honourable Bryce Mackasey has taken over his former duties. I am sure that Mr. Mackasey will fulfil the duties of his office as well as his predecessor.

• (2040)

Economic isolation, which includes occupational isolation, must be reduced. When I refer to occupational isolation I refer to low income families, farmers, fishermen, and to all those people who do not enjoy the best things of life that Canada has to offer. I am not in a position to say too much with respect to fishermen, but if some of you would like to fish in northern Saskatchewan I can say you will find there some of the best sport fishing in Canada.

I can talk about farmers, however, and I now have an opportunity to discuss briefly the tremendous impact on the Prairie provinces of the two-price system for wheat. This program has often been discussed in this house. I am sure my distinguished colleagues, Senator McDonald and Senator Argue, have often indicated their support of this much sought after and long awaited government program. Such a program has been a long time dream of the Prairie farmers, and now the federal government has seen fit to institute a program whereby the grain consumed domestically—and this amounts to about 64 million bushels of wheat a year—will bring a price of $1.05 a bushel, in addition to the normal market payment. This will be paid on an acreage basis, as indicated in the Speech from the Throne, and will not be added to the price of bread. It will be subsidized by the treasury of Canada and, in my view, quite rightly.

It may be a difficult thing for many of our eastern citizens, and perhaps our eastern parliamentarians, to understand and appreciate how important this is to the farmers' living. The cost-price squeeze is a real thing. I can tell you a short story I heard the other day which illustrates this point. A farmer went into a hardware store and purchased a hammer for $2.98. A week later he returned to the store and purchased a dozen hammers, and a week after that he purchased 50 hammers. The merchant finally asked him what he was doing with all those hammers, and he said he was selling them. The merchant asked, "How can you do that when you are buying them at the retail price? How much are you selling

them for?" to which the farmer answered, "I am getting $1.98 each and they are going like hotcakes." The merchant then remarked that that was not sound business, to which the farmer replied: "I know, but it is still better than farming". That is the type of story they tell out west.

I should take this opportunity to express my appreciation to the minister in charge of the Wheat Board, the Honourable Otto Lang, for finally achieving this long-time dream of Prairie farmers. It is one of the most welcome items in the government's program as far as western Canada is concerned.

The elimination of economic isolation will also be greatly assisted by the enactment of the Family Income Security Plan. This is a very advanced form of social legislation which will greatly increase the amount of the allowance going to those families who are in the most need. Additional federal money in the amount of $150 million will be put into the total program in order to eliminate, as far as possible, that part of the economic isolation which is referred to in the Speech from the Throne.

The Speech also referred to the isolation of social injustice, and in my view it is a compassionate kind of reference. It specifically mentioned housing, and the fact that some Canadians do not have adequate housing due to their low income. I am delighted to hear of additional programs to provide housing for low income families. Such programs have been carried on quite effectively in the last few years. I am proud to note that in Canada in 1971 we had a record number of housing starts, a good number of which represented an innovative and, I believe, an imaginative program of housing for low income families.

Honourable senators, perhaps I may digress slightly at this point and speak for a moment about the Minister of State for Urban Affairs. I do not wish to belabor this point, but I feel that this whole question of urban affairs, part of which embraces this housing problem, is a subject which should be considered in depth by this chamber. I believe that there is an important role for this chamber to play in participating, perhaps by way of a standing committee on the affairs of the urban communities of Canada, and by taking an active part in an advisory, consultative, or a fact-finding way, in order to assist the Minister of State for Urban Affairs in his work in this important portfolio.

I hope I have an opportunity at some time in the future to discuss this in more detail. We do have a serious problem in urban affairs in that the municipalities are creatures of the provinces, and the provincial governments are very zealous in their control over the municipal governments in their respective provinces. They hesitate to allow too much federal participation in urban affairs. As a matter of fact, at least two of them are very much against any consultation at all.

I believe the Senate has an important contribution to make in this regard, and in due course I hope I will be able to make a proposal for a standing committee on urban affairs for consideration by this chamber.

In closing this aspect of my remarks I quote from N. H. Lithwick's book *Urban Canada*, in which he states:

> A meaningful urban policy framework can be developed only in the light of a national consensus about its problem, the objection, and the priority. To date there is no evidence that such a national urban policy is being contemplated, and the degenerative processes now under way in our major metropolitan areas are encountering a serious policy vacuum.

I believe this chamber can make a contribution in that regard. Mr. Lithwick indicates that by the year 2000, metropolitan Toronto will have a population of 6,500,000, metropolitan Montreal a population of 6,300,000, metropolitan Vancouver a population of 2,482,000, and metropolitan Ottawa a population of 1,616,000.

Hon. Mr. Flynn: What about St. John's?

Hon. Mr. Buckwold: St. John's will probably make its way too, Senator Flynn.

I point out these figures to indicate to my colleagues the importance of urban affairs in the development of Canada, and the role which the Senate can play.

The isolation of social injustice will also be mitigated through legislation in the field of women's rights and improvements in the Criminal Code to make for more humane treatment of offenders in our penitentiaries, and improvements in our parole system.

Those are the types of isolation referred to in the Speech from the Throne, and I believe the government is trying nobly to overcome them. The Speech from the Throne also refers to communication isolation which will be reduced by improvements in the service provided by the Canadian Broadcasting Corporation.

Finally, honourable senators, I come to the major topic of international isolation. Canada should not set itself apart in its relations with other countries of the world, and the Speech from the Throne indicated, I believe very accurately, Canada's concern for the rest of the world, and especially for our relationship with our neighbour to the south. I am sure our trade relations and problems with the United States will be debated at great length in the future, and we shall have many debates on foreign investment in Canada. My only comment at the moment is that I hope that when a policy does come forward it is carefully thought out. This is a very complex matter which the Government of Canada will have to consider. We should remember the old saying: Marry in haste, repent at leisure. We must balance our need for growth capital and our absolute dependency on the amount of growth we need in order to provide employment for our people against that form of nationalism, which is also, I believe, worthy of serious consideration.

• (2050)

Honourable senators, I have referred to many of the objectives indicated in the Throne Speech which will go towards the elimination of isolation in Canada. They represent a challenging and meaningful national program for Canadians.

The opposite of isolation is togetherness, something very much needed in this country. I sense in this speech the very able hand of our esteemed Prime Minister, to whom Canadian unity has always been a major aspiration. When we eliminate that form of isolationism, and various kinds of human isolation that I have referred to,

we can move towards this togetherness, and thus take a great step forward in our objective of Canadian unity. Former Prime Minister Pearson once said, "There is only one kind of citizen in Canada—and that is a first class citizen". This is the theme of the Speech from the Throne.

These are difficult times, nationally and internationally. I am positive that Canadians will, as they have always done, rise to the occasion, and continue to build in this country a society that offers opportunity for all, security for those who need it, and a future unequalled anywhere in this wide world.

Honourable senators, it is my pleasure to move the Address in Reply to the Speech from the Throne.

[*Translation*]

Hon. Renaude Lapointe: Honourable senators, in doing me the honour of asking me to second the motion for an Address in Reply to the Speech from the Throne, my leader showed confidence in me. I am deeply touched and I want him to know how grateful I am. On this the first opportunity I have to speak in the Senate, I wish first of all to pay a sincere tribute to the Speaker of the Senate, the Honourable Jean-Paul Deschatelets, for the warm and cordial simplicity of his welcome, for his integrity and his unerring judgment, for the able, impartial, friendly and very informal way he fulfils his important duties.

To the stature of the Leader of the Government in the Senate, the Honourable Paul Martin, who so ably represented our country with dignity on every international scene, and who continues to promote its interests with unflagging energy, the timid praise of a newcomer can add nothing. Still, may I thank him on behalf of each of us, for the vigour with which, verbally and through the newspapers, he stood up for the Senate against the attacks and criticisms to which it was subjected late last year, and for the clarity with which he explained the role of the Senate in the study of the most controversial bills of the last session. The vast extent of his knowledge, the result of a long and solid experience in public and diplomatic life, deserves also to be mentioned once again.

I also salute the Leader of the Opposition in the Senate, the Honourable Jacques Flynn, who preceded me in journalism. As a witness of his activities in Quebec, I was later able to appreciate from afar, on many an occasion, his forceful interventions in the Senate.

Finally, I beg of all my honourable colleagues to believe that their welcoming wishes reassured me, and that they can depend on my wholehearted co-operation. The recent achievements, outstanding in every respect, of the honourable Senators Croll, Davey, Lamontagne and Everett honour this august assembly and we are proud of the interest their work has awakened.

Succeeding the Honourable Thérèse Casgrain, whose dynamic personality and lively career earned her an international reputation, is no easy task; replacing her is impossible. Having left the Senate while still full of energy and drive, the one I once called the "Peace fighter" will certainly not cease to fulfil a very useful role within the Quebec and Canadian community. I here express my admiration for her and extend to her my best wishes.

Brilliantly analyzed by my colleague Senator Buckwold, the Speech from the Throne has philosophical and social rather than political implications. Senator Buckwold's speech and mine are strangely similar, even though we only met tonight. This proves that French-speaking and English-speaking people are quite alike.

The Speech from the Throne emphasizes the feeling of loneliness of the individual in an increasingly complex and impersonal system.

The concern of the government which would like to dispel that painful feeling and make each citizen understand the meaning of its personality and its own value is underlined throughout that significant document.

In a country such as ours, designed for giants, must we be surprised if the human being sometimes feels Lilliputian? Must we be surprised if he experiences more strongly than elsewhere an inner feeling of helplessness which is clashing with an opposite feeling, that of boundless hopes commensurate with the country where he is living? Whether he is the victim of geographic remoteness, whether he is discriminated against on account of the group to which he belongs or whether he is affected by economic deprivation, that Canadian feels outside the stream leading his more fortunate fellow citizens to progress and some kind of happiness.

Removing the barriers raised by those various forms of physical, social or moral loneliness is one of the main objectives set by the government for the years to come.

At the present time, we are quite clearly conscious of one of the most painful feelings experienced by that large percentage of people reduced to inactivity. Not only the unemployed cannot play their part in the development of the country, but the economic circumstances compel them to lead a parasitic life deeply undermining their energies while lowering a little more each day their pride and self-confidence. Unemployment is in fact a phenomenon that goes beyond the individual's understanding and that leaves him helpless, looking for an answer that does not come. A government that recognizes this unfortunate reality will naturally give high priority to the creation of more jobs. But can such a government undertake this alone? To give new impetus to the economy, the government must establish closer co-operation with the business world and with industry—which can also create jobs—and, while asking business leaders to be more daring and more imaginative, it should also propose to them, without delay, an industrial strategy which takes into account the needs of the country, as several Canadian experts have recently suggested.

The isolation in which the poor find themselves is no less distressing. Those particularly unfortunate people have long realized that they cannot, even with the greatest good will, take advantage of the present provisions of Canadian Manpower programs. The time has long come for the training and placement services created by that department, which for many years have been the object of some criticism, to be changed in order to meet the real needs of those people.

In the same way, the isolation of the worker, who has a family and who, in an urban environment, finds it very difficult to find decent housing for his wife and his five or six children, may give rise to indignation and rebellion when he walks past apartment buildings which are for-

bidden to him because of their design and of excessive rents. Although 1971 has been a record year with regard to the construction of housing for low-income families, the need for low-cost housing remains acute, not only for those families, but also for the aged and the pensioners, and it is fortunate that the government is determined not to neglect this sector.

To destroy all barriers that make for isolation, such is, as we have already stated, the main theme of the Throne Speech. I feel that it is my duty to congratulate the government for the results already achieved in two fields of importance for the future of the country, that of bilingualism in the federal services and that of the promotion of women, especially within those same federal institutions.

• (2100)

[*English*]

In July 1969, the Official Languages Act was proclaimed. Less than three years later, its implementation has already brought concrete and irreversible results. The Language Commissioner's report of his first year of activity is both interesting and encouraging. And the Chairman of the Public Service Commission has equally done his share to reach the goal set by the government.

The courage, one might even say the pluck, with which the Chairman of the Public Service Commission set things straight a month ago on the question of bilingualism in the federal service deserves praise. Not only did he label as a lie charges that the merit principle is being disregarded in an attempt to populate the service with French-speaking employees, but he added that the French-speaking citizens have not had an even break in the past and that they occupy at present only 18.2 per cent of top positions in the Public Service, although they constitute about 28 per cent of the nation's population. It was good to hear him repeat that the government has set a program not only of gestures but of substance, that he will not settle for token bilingualism and that the commission has a duty to reflect the dual character of Canada in the government staff. Since the commission accepts the interpretation that the Public Service should be functionally bilingual, this means that bilingualism must become an element of merit for certain positions in certain areas of Canada.

But why should someone be afraid? Only about 15 per cent of all positions are affected by the language policies and most of them at all levels will continue to be filled by unilinguals. Since proportionately few positions have so far been declared bilingual, even in the higher categories, one has indeed to use misrepresentations of facts to draw the conclusion that any significant number of promotions have been blocked. In spite of some reports to the contrary, we like to believe that the majority of English-speaking Canadians understand the real intentions of the government and that with a better training of the younger generations the task of giving a truly bilingual character to the Public Service will gradually become easier. Another barrier will thus have been removed.

No one ignores the difficulties that the drive towards bilingualism is creating here, as well as in other parts of Canada. But the purpose the government has set for itself is to make this capital a focal point of our national life not only, as the Prime Minister said recently, in a political sense but in every sense. Those few years during which the bilingualism and multiculturalism policy has been working through the governmental services, as well as through the activities of the National Arts Centre and other institutions, have already permeated the atmosphere of Ottawa. They have given this city a different image, a different quality, which is beginning to be felt and appreciated by many of the national capital's former detractors.

On the other hand, and in answer to many requests dealing with the decentralization of federal activities, the government is contemplating the relocation of some Ottawa-based operations, the first being the moving to Winnipeg of the coin-making division of the Royal Canadian Mint. That kind of decentralization has been suggested many times. Although this will inevitably put an end to a cherished tradition and disturb some established routine, we sincerely believe it is a sound decision. In a land so vast, as I said before, there exists a feeling of isolation. Not only has it to be eradicated, but it has to be replaced with something. Especially at both ends of the country, the sense of belonging has to be stimulated. Every region should be able to develop that sense better if it is invited to collaborate in a more concrete way in the country's administrative doings.

Since its accession to power, the government has proceeded to many nominations which were well received and which indicate clearly its intention to giving larger responsibilities and higher ranking positions to women who aspire to them. Actually, there are some 46,000 women in the Public Service. While they fill only one per cent of the jobs at the executive level, 80 per cent are in the lower levels of the administrative support category. One foresees that in the next decade, more and more university-trained women will be seeking positions and demanding equality of pay and promotion. Today they represent one-third of the university graduates, and by 1980 they will form 45 per cent of the total. Why should Canada deprive itself of such talent and knowledge?

The Public Service Commission is carrying out its decision to open more senior positions to women, and it will search even more outside the service for capable women to compete for positions in the senior levels of management. However, at the lower levels and in every field of activity, women are still asking for a better supervision and observance of the law against sex discrimination. Much remains to be done in job classification as well as in hiring, firing and promoting, to guarantee the equality of status to which they are entitled under the law. This is why they are expecting the rapid implementation of the recommendations of the Bird Report.

• (2110)

Among the institutions which should lead the way in the drive for equality of opportunities, some universities are guilty of practising wage differentials between the male and female professor. Statistics Canada figures of 1969-70 reveal that male professors receive 7.9 per cent more than their female counterparts, male assistant professors 4.7 per cent more, and male lecturers and instructors 8.7 per cent more. Such a situation is no longer tolerable.

The Speech from the Throne well indicates that the government, in order to achieve its goal of full participa-

tion by all members of the community, will adopt new policies—which it admits are long overdue—to ensure the equality of women in the Canadian society. This does not come as a surprise, since the Prime Minister's speech of March 1971 hinted that some measures had already been taken and that the government intended to improve the situation still further.

[*Translation*]

> Every woman in Canada possesses skills, competence, energy, knowledge and abilities which are often under-utilized because they are all too often underestimated in their importance.

And the Prime Minister added:

> Yet in Canada we have permitted ourselves to develop attitudes which are hostile to the reception of women into a number of professions and trades and into politics. In the result each one of us, men and women, are demeaned.

The Prime Minister also recognized that political parties share the responsibility for this promotion. He even stated that he would give unqualified support to women nominated in federal ridings and he invited county organizations to give serious consideration to potential female candidates. Events have since proved the sincerity of the government. It is up to the population to do the rest by changing traditional attitudes.

Speaking for the women of Canada, I thank the same government for the impetus it has given to the cause of equal opportunities for women and their fulfilment in keeping with their aptitudes. Women's organizations which yearly submit briefs containing many suggestions and remarks urge him not to slacken his efforts toward this worthy goal.

Nor should there be any question of isolation for Canada in the field of international relations. As a result of a review of external policy undertaken in 1968, Canada has considerably extended its horizons and has brought about a dramatic change of its trends.

Having, as a journalist, fought for recognition of mainland China and its entry into the UN, as well as for a keener sense of our interests on the other side of the Pacific, I could not but rejoice over such decisions. We now have an altogether different outlook on the position occupied by this country in the world today and some bold action will have been adequate to confer on Canada an enlarged stature. To state that the action taken by Canada was enough to influence the evolution of the foreign policy of our neighbours would no doubt be presumptuous. However, at the time of our first advances in 1968, few observers could foresee that the President of the United States and the President of Communist China would today engage in a dialogue in Peking.

So it is that after having almost exclusively considered Europe and the United States, with which we still keep the closest political, economic and cultural relations, we now consider our nation as part of America and not only North America, through our new status as a permanent observer in the Organization of American States and our full membership in several of its agencies. We also consider ourselves as a nation of the Arctic after the visit of the Prime Minister and the Minister of Indian Affairs and Northern Development to the Soviet Union, the signing of a protocol on consultations and the conclusion of agreements on scientific and technical exchanges with that country, not to mention the energetic laws that we have passed to protect our northern heritage. We also consider ourselves as a nation of the Pacific by virtue of our increasing exchanges with Japan and our diplomatic and trade relations with the People's Republic of China, to name only these two far eastern states. This new balance in our foreign contacts, this new place for Canada in the world furthermore includes the strengthening of political, cultural and economic ties, not only with African members of the Commonwealth but also with those of the francophone community, which is certainly more in keeping with our interests and our bi-ethnic reality.

Under the influence of events, laws and institutions tend to change. An American clergyman wrote that, like clocks, laws must sometimes be cleaned, wound up and set. Is not the supreme test for a government the capacity to concile continuity and change? This twin function of the law which, on the one hand, reflects and confirms the stable elements of a community and, on the other hand, can be a powerful and yet peaceful instrument of social change is the only one that can enable us to achieve a superior degree of order as well as justice.

From the moment of its election, this government has attempted this with foresight. After rationalizing some parliamentary procedures, it produced a host of new policies and impressive legislation, many of which are directed toward improving the condition of the working class. It was creative and inspiring; it fostered contacts with the people; it implemented its policy of participation by publishing white papers and by initiating bold and imaginative programs such as Opportunities for Youth and Local Initiatives. But above all, it met the anxious expectation of the Canadian people who had asked it in 1968 to hold a restless Canada together.

• (2120)

Of this restless Canada, the most restive part is undoubtedly Quebec. Even though a minority has so far accepted the theory that its social development depends on the conquest of its sovereignty, the question of whether Quebec will find its identity inside or outside the Canadian federation has not been settled yet, and 1972 will probably be another year of confrontation that will hopefully remain verbal between federalist and separatist forces in that province where the events of the 70's still hover.

Of these two groups, the federalist bloc turns with concern to the central government. It expects some actions that, by their psychological impact, could help improve the climate. Of course, federal grants to sustain employment are welcome and the provincial government has no hesitation about signing agreements that bring millions from Ottawa to Quebec. Helpful as they are, these millions will not be sufficient to better Ottawa's image, nor, in our opinion, will the adoption of excellent measures such as legislation to improve the equalization system, to reduce the tax load of low-income earners or increase loans to students. What Quebecers value most is some compromises between the two levels of government on many specific issues, of which the welfare policy of that province is one of the most crucial.

As is generally the case with Canada, Quebec is experiencing a curious phenomenon, that of achieving one of the most impressive economic advances in developed countries while registering at the same time a high rate of unemployment. Its economy which is based, as we know, on fragile structures, has resulted in unemployment for 170,000 Quebecers during part of last year and has been a fertile ground for those who claim that Quebec would be better off if it had control of its own affairs. The average unemployment rate in the province has been 8.3 per cent compared to 6.4 per cent for Canada as a whole. Capital investments in the manufacturing sector have declined by 7.3 per cent in 1971 and amount to only 38.7 per cent of the investments in Ontario.

Separatism, violence, and social strife are political and social factors which account for this decline. The Premier of Quebec himself has admitted that the province is still paying the price of the 1970 October crisis in terms of diminishing investments and growth. The exodus of companies' head offices to other cities is a fact and the situation has on the whole deteriorated, particularly in the pulp and paper industry on which a large part of the Quebec economy depends with the result that the situation has become even more difficult.

The solution of most of Quebec's problems, including the separatist menace, is to be found in a strong economy. Since many of its industries are seasonal ones, since its small towns often are totally dependent on forestry and mining industries, since many secondary industries are not big enough, it is more necessary and more urgent than ever to give priority to regional development, to rationalization of existing plants and to the establishment of highly technological industries.

In order to keep alive such an important economy as that of Quebec, it is necessary to finance there quite a lot of public works. This has been done mainly through the federal and provincial governments which injected last year more than $1 billion into that province. Moreover, everything shows that further injections will be needed if Quebec is to make it.

Let us not forget that about 40 to 45 per cent of the amounts earmarked by the federal government for incentive programs are paid to the Province of Quebec. For instance, Ottawa has financed the best part of a $125 million order for the building of ships for France. And few weeks go by without the federal government announcing the distribution of additional millions in grants and loans to corporations already established in Quebec or about to settle there. However, those incentives are artificial in the sense that some day Quebec will have to be on its own as far as its economy is concerned. Even though all these projects greatly contribute to the creation of short term jobs, the overall political climate remains unchanged and there is little actual planning to restore confidence in a short term improvement.

Like the governments of not-so-favoured provinces, the Quebec government fears any control of foreign investment. It cannot afford, say its spokesmen, to discourage such investment for ideological reasons. In fact, the screening of incoming capital might interfere with the government's priorities, namely the creation of jobs and the promotion of fast-growing manufacturing industries where foreign investment is an essential factor.

Will the policy contemplated by the federal government allow Quebec to reach simultaneously its objective of economic independence and that of growth and development in the field of employment? We shall know in due time. However, for many people the long-term policies which will ensure a well-balanced development are the same which, in the short run, will tend to limit the inflow of capital and to increase unemployment. It seems that the people and the government of Quebec are not at the moment prepared to pay for the price of such an otherwise advisable action.

However, a price which all Canadians, including Quebecers, are prepared to pay is the price which will permit them to safeguard their natural, historic and architectural heritage before it slips through their fingers forever. The concern shown by the government to improve the quality of life for Canadians, in this age of leisure, is reflected in the projects and achievements which follow.

• (2130)

[*English*]

The proposed legislation, to be known as Heritage Canada, intends to set up a broadly based corporation with the same degree of independence as the Canada Council, to preserve individual buildings, groups of buildings and areas of historical and natural value which are nationally significant. This is a timely initiative which would fill a gap in the preservation program of the Department of Indian Affairs and Northern Development in complementing the work being done by the National and Historic Parks Branch. A substantial federal endowment grant would be sufficient to enable the corporation to make a satisfactory start, and any expansion would have to be realized with the aid of financial and other contributions from the public.

Apart from that project, we note with interest the creation of three national parks above the 60th parallel, one in the Yukon, two in the Northwest Territories, including one along the famous South Nahanni River, which brings to ten the number of parks developed or set aside under the present government, and to 28 the total number of these natural havens. More important still is the fact that for the first time outstanding natural areas in every province and territory are represented in Canada's national parks system.

The importance of preserving lands in remote areas for the benefit of the future generations who may face pressures yet unforeseen, combined with unforeseen travel and leisure facilities, must not be underestimated. At a time when the need for these natural reserves in Canada was far from evident, the originators of the first national park in Banff gave proof of their foresight. After 30 years of near inertia, now in a feverish race against time the present government has organized the framework of an outstanding national parks system. But much remains to be done since Canada will need at least 60 national parks by the year 2,000.

• (2140)

The third realization consists in the transfer to the conservation program, which includes the National and His-

toric Parks Branch, of eight canals with important historic links—three in Ontario, four in Quebec and one in Nova Scotia. Under that program the Canals Branch plans to work closely with the provinces to develop the recreational potential of these waterways and to protect their natural and historical values.

[*Translation*]

Honourable senators, during the last four years, the government endeavoured to accelerate smoothly the evolution process in Canada. It wanted to make of it a laboratory of individual freedom as opposed to mass mentality; it wanted to make of it a more generous and more open society able to promote *joie de vivre* and respect for all aspects of human dignity; it wanted to make of it a better balanced country, more assured of itself and of its destiny. It worked resolutely so that millions of men and women of different origin, language, culture, history and traditions would have the impression of being more justly treated and would feel more at home everywhere in this country. Such great social, linguistic and geographical diversity does not help in any way the governing authorities in their work, but the challenge is worthwhile. The coexistence of various elements, even if some clashes occur, can only enrich the Canadian heritage and bring new drive in this country which was meant for an exceptional role in this world.

Heraclitus said:

> Where there is no struggle, there is decay; an unshaken mixture rots.

In spite of economical difficulties in 1971, which followed political hardships in 1970, is not Canada in general a country where one lives a better life? Such is the result of a statistical survey recently published in *The Economist*. And for the manner in which the government did foster development, control the rate of inflation and fight the effects of the American dollar crisis, London's *Financial Times* even awarded it its economic Oscar at the end of the year.

Everywhere Canada is recognized as an historic achievement. It always was and still remains an act of faith and tolerance. However, the answer on which hangs its immediate future, as well as its most remote future, will be provided not by politicians, sociologists, economists, experts or journalists; it will be provided by those millions of almost anonymous individuals who, having been free to state and even to cry out their grievances in any circumstances, will on second thought recognize the efforts made by the government to push them ahead, despite unavoidable obstacles, on the road to social and economic progress. Even those who in *La Belle Province* flirt with sovereignty will think it over, we believe, before dropping the substance for the shadow.

For those reasons, among many others, I support with pride the motion of Senator Buckwold, for an Address in Reply to the Speech from the Throne.

[*English*]

On motion of Hon. Mr. Flynn, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, February 23, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

General Order of the Judges of the Supreme Court of Canada, dated October 28, 1970, amending the Rules of the Supreme Court of Canada, pursuant to section 103(4) of the Supreme Court Act, chapter S-19, R.S.C., 1970.

General Rules and Orders of the Federal Court of Canada made by the Judges of the Court on December 22, 1970, pursuant to section 46(5) of the Federal Court Act, chapter 1, Statutes of Canada, 1970-72, together with copy of Order in Council P.C. 1971-270, dated February 9, 1971, approving same.

Amending Order No. 1, made by the Judges of the Court on July 15, 1971, amending the Rules of the Federal Court of Canada approved by Order in Council P.C. 1971-270 on February 9, 1971, pursuant to section 46(5) of the Federal Court Act, chapter 1, Statutes of Canada, 1970-72, together with copy of Order in Council P.C. 1971-2481, dated November 9, 1971, approving same.

IMMIGRATION

DETENTION WITHOUT ACCESS TO COUNSEL—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, on January 11, 1972, at the end of the last session, the honourable Senator Phillips asked me two questions. One was about legal aid in general and the second related to a specific individual, namely, a Mr. Seebag-Montifiore.

The present procedure for someone accused is to contact the law society or legal aid society of the appropriate province. At present all legal aid cases are provincially administered. The question of the provision of federal financial assistance in legal aid cases has been under consideration for some time, but I have no policy announcement to make at this time.

I have been informed by officials of the office of the Minister of Manpower and Immigration that Janek Stanislaus Seebag-Montifiore is in fact the alias for Jonathan Richard Wearn. An immigration officer went to England and obtained evidence with which Mr. Wearn was confronted. As a result of this confrontation, Mr. Wearn withdrew his appeal from the Immigration Appeal Board, admitted that he was Wearn, and requested deportation to England as soon as possible. Arrangements were made at the expense of the responsible transportation company, KLM, to have him leave Canada at 6.45 p.m. last February 17. A representative of the immigration division of the Department of Manpower and Immigration accompanied Mr. Wearn to England.

LABOUR RELATIONS

DISPUTE BETWEEN TREASURY BOARD AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

Hon. Jacques Flynn: Has the government leader anything to say about the problem of the air traffic conditions in Canada?

Hon. Paul Martin: No, I have not yet received a reply to the questions put by Senator Cameron yesterday.

Hon. Mr. Flynn: But do you have the answer to the simple question that I put: Is the government considering the problem?

Hon. Mr. Martin: My honourable friend knows very well that the government is considering the problem.

• (1400)

[*Translation*]

SPEECH FROM THE THRONE

SPEECH FROM THE THRONE—MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. Jacques Flynn: Honourable senators, the Speech from the Throne delivered on the occasion of the opening of the fourth session of the 28th legislature—a session the duration of which no one can foretell, but which according to a generally held opinion will certainly be the last before a general election—is somewhat akin to the speech which opened the last session and wherein a new style and a new approach were introduced.

The underlying idea seems to be that this document should, in some respects, expound a political doctrine of some sort analyzing the philosophical and economic aspects of our modern society. Such a formula would appear somewhat conceited, though possibly more interesting than the usual listing of the bills the government intends to submit to Parliament.

The leitmotiv or slogan, this year, is isolation—isolation created by social injustice; isolation created by economic difficulties; isolation created by geographical background. It would seem that all there is to do to straighten out the situation is to introduce legislation and Canadian society will undergo a substantial if not complete change for the better.

Jacques Maritain said:

One is always somebody's Oriental.

Along this poetic vein, may I suggest that in that case, one is always isolated from someone.

However, one should not confuse isolation and isolationism because, while the government pretends to fight isolation, one is not sure if at the same time it wants to oppose economic and political isolationism.

Another prominent feature of that Speech from the Throne, perhaps the last to be prepared by this government—and I think that most Canadians hope so—is to give credit to the government for all the good things which happened during the past few years. It tries very hard to have us believe that all the government's administrative or legislative undertakings have been sound and successful. On the other hand, it also suggests that the various problems facing the country cannot be ascribed to the blunders and omissions of the government, but merely to conditions prevailing in all industrialized countries, some compelling and unavoidable conditions for which the government should not be held responsible.

I am not saying this lightly; I invite anybody with a minimum of objectivity to read and reread the Speech from the Throne and find out that such is the meaning of it.

What I intend to demonstrate today is that, in practically all fields, no matter how many laws were passed and how much time the government and Parliament spent trying to improve the situation, little—too little—has been achieved. This government has shown itself to be particularly inept; its failures are much more numerous than its achievements, and in most cases the fault is but its own.

It is not a Speech from the Throne that can change the government's performance—and neither can a cabinet shuffle that is no more than a musical chair game. Incidentally, when the Prime Minister makes changes in the cabinet, he should occasionally give up his post to become an ordinary minister. That would be a real cabinet shuffle.

[*English*]

Honourable senators, the government leader, it is well known, greatly appreciates dedication to duty and an unquestioning willingness to serve the cause with zeal. Who among us will ever forget that rousing speech Senator Buckwold made in the course of the debate on the Income Tax reform bill? How edifying it was to learn that he was prepared to make all the sacrifices necessary in the way of time and effort to deal with that 700-page bill in the 12 days, counting Christmas day and New Year's day, the government had allowed us. How touching it was to learn from the senator with the rolled-up sleeves that he was willing, magnanimously, to overlook the cavalier fashion in which the Senate was being treated by the government. How well do I remember the admiration in the eyes of the government leader as he listened with rapt attention to the words of Senator Buckwold. So, it came as no surprise to me that Senator Buckwold had been chosen to move the motion presently before us.

This bill, containing some 700 pages, was passed in less than a day by the Standing Senate Committee on Banking, Trade and Commerce, under the experienced chairmanship of Senator Connolly, with some prompting and coaching from Senator Martin.

Hon. Mr. Connolly (Ottawa West): To which coaching are you referring?

Hon. Mr. Flynn: I did not say he was coaching the chairman, because that would be useless; I meant the committee. In any event, it did not detract one iota from the significance of Senator Buckwold's stirring efforts last December. Again yesterday, Senator Buckwold acquitted himself of his most important task with eloquence. I congratulate him without reservation. His erudition is surpassed only by his devotion to Liberalism —with a large "L". I have but one friendly warning for the senator. The government leader with whom he has had so many heart-to-heart talks—and this is what he indicated last evening—has a reputation for taking advantage of senators who are zealously disposed to defending the government. So, if he should find himself being lavishly complimented by the government leader, he may rest assured that he is about to be assigned some thankless task which more experienced Liberal colleagues have refused.

[*Translation*]

As regards our new colleague, Senator Renaude Lapointe, I was very happy, for her and the Senate, when the Prime Minister invited her to sit in this house.

As she pointed out herself last evening, I became acquainted with her at the beginning of her career in journalism in Quebec City at the time I was leaving that career myself to go into law.

Like all those who followed her successful career in Quebec City and later on in Montreal, as editorial writer at *La Presse*, I recognize what a contribution she can make here with her clear mind, her great learning and excellent judgment. The speech she delivered yesterday testifies to that.

On the other hand, I am sure she will forgive me for simply adding this: in her editorials—which I always read diligently—whenever she criticized a Liberal government, it was always in a spirited way, of course, but without ever concluding that it should have been replaced! In that respect, she has not changed and she probably never will.

I am not asking her to change for she will soon learn that in this house, there are many members who are making a valuable contribution while remaining extreme-

ly faithful to a political party. That is not anyway the main problem of the Senate or of the senators.

I will conclude what I have been saying about Senator Lapointe by telling her that she is replacing Senator Thérèse Casgrain of whom we were all very fond. As for me, I am certain that Senator Casgrain is as happy as we are that her successor is Senator Lapointe.

Hon. Mr. Bourget: Very good.

Hon. Mr. Flynn: Unfortunately, perhaps this is the last session that Your Honour will be occupying the chair since it is our practice that the Speaker should serve for only one Parliament.

If I wanted to blame you for something I might say that you take your responsibilities too much to heart.

You have a fantastic talent for defusing explosive situations and, as far as I am concerned, to prevent my saying more or less malicious things which come to my mind in the heat of debate. I am sure that, in this connection, the government leader is quite grateful to you. I am also grateful since one seldom regrets not having made certain statements while the reverse is often true.

[*English*]

Honourable senators, I would not want to return to the subject matter of the Speech from the Throne without assuring the Leader of the Government of my traditional co-operation in the discharge of his duties as they pertain to the Senate.

I fully agree with those who claim that the Senate owes much to Senator Martin for the new and improved image that many people now hold of the Upper House. His balance sheet should, quite properly, show more assets than liabilities in this respect. But, however much this may be true, I feel I must again remind him that he has a serious conflict of interest to resolve in his double role as member of the Senate and Leader of the Government. The doctrine of cabinet solidarity does not permit of his leading the Liberal members of the Senate into an objective study of government legislation, and the Senate, we will all agree, is supposed to be more objective than the other place.

I keep raising the point because the instances have been many wherein the leader on the government side of this chamber has shown himself to be more a member of the government than of the Senate.

The way in which he arranged for Bill C-259, that exercise in fiscal confusion, to be bulldozed through this chamber during what should have been the Christmas recess, without any discussion on the principles of the bill and without the possibility of any serious consideration being given to much needed amendments, is proof of the fact that his first allegiance is to the government, not to the Senate.

Almost every Canadian daily newspaper I picked up towards the end of December—they were published towards the end of December but I saw them only late in January when I returned from my trip to Europe—

seemed to carry a letter to the editor from the government leader trying to justify why the government had treated the Senate with such disrespect. I was not in any way convinced by his arguments, and I doubt whether any other reasonably-minded Canadian was.

• (1420)

Changing the subject for a moment, I have been told that Senator Martin has been appointed Chancellor of Waterloo Lutheran University.

Hon. Senators: Hear, hear!

Hon. Mr. Flynn: I congratulate him on his appointment, and on the laudable sense of ecumenism he displayed in accepting the appointment. Would that he were as non-partisan in matters political as he appears to be in matters theological.

Honourable senators, in last Thursday's Speech from the Throne the government, as I said earlier, attempted to take credit for all that has happened since April 1968 which could be in any way construed as having been beneficial to the country. With equal vigour it sought to deny responsibility for the failure of so many of its plans, projects and measures.

The Speech from the Throne suggested that legislation to be presented to Parliament during this session would, on the long-term basis, be most beneficial. The expression "long-term basis" is an obvious feint calculated to direct attention away from the dismal performance of this government over the past four years, and away from its lack of immediate solutions to the problems affecting us now.

The present Minister of Finance informed us not so long ago that the government was not interested in what happened yesterday or in what is happening today, but only in what might happen tomorrow. Such a desire to forget on the part of this administration can easily be understood. However, it is doubtful whether the electors will be quite so willing to forget what has happened during the past four years, nor will they be willing to overlook government inaction in the face of immediate problems, nor, for that matter, will they be content to hope for a better tomorrow made up of vague promises.

If, after four years, the government has not succeeded in providing proper leadership, and has failed miserably in charting a satisfactory course in the affairs of this country, why should anyone believe that it will be able to do so if given a new mandate? A new mandate would serve only to prolong the agony of those who deserve a better government.

Honourable senators, the business community, with abundant reason, lacks confidence in the government. As a result, capital investment is almost at a standstill, and expansion is not taking place at a rate anywhere near satisfactory.

The confusing tax reform bill, foisted on the business world supposedly to alleviate inequality and promote stability, the proposed amendments to the Canada Labour Code, the proposed Competition bill, the establishment of the Canada Development Corporation, and an expected

screening agency for foreign investment have not been, and are unlikely to be, conducive to restoring a proper relationship between business and government.

The government's overall economic direction has been profoundly disappointing. The use of restraint and relaxation has been awkward, and the attempt to introduce voluntary limitations on prices and wages was naïve, singularly lacking in imagination, and demonstrated a poor understanding of market economics.

Further, there is growing resentment among all businessmen and, I would add, all citizens who have had direct dealings with this government, due to the increasingly frequent incidences of bureaucratic bungling. The influence of a ham-handed ubiquitous government seeking to regiment, control, and, supposedly, streamline is manifesting itself everywhere, and the result is everywhere deplorable. The sad state of present business-government relations has led to confusion and frustration in the business world.

This administration is top heavy with men who long ago cast their lot with the noisy anti-capitalist forces of the left. The supposed conversion of those sages to big "L" liberals, only a relatively few years ago, has not been followed by any convincing change in their outlook. They remain substantially what they were. The Liberal party has changed to some extent. Its president, one of our colleagues, referred to it in a recent speech as the "people's party," and the business world has every reason to fear that change in nomenclature. It is indicative of a far more profound change in philosophical orientation.

Far from eliminating confusion and uncertainty, last year's tax reform has contributed to it, and it will inhibit business efficiency and entrepreneurship for a long time to come. A large number of the provisions of the income tax reform act of 1971 are next to impossible to understand. Those entrusted with the responsibility of advising corporations in the matter of taxation are now having nightmares.

But that was not the only piece of deficient and ill-advised legislation this administration concocted seemingly with a view to victimizing business. This government's anti-business bias was manifest in the Competition bill it presented in the last session, and will blunderingly seek to re-introduce this session, with likely very little change. Certain measures proposed in that bill would have rendered illegal long-standing practices based on sound economics, and I cite as an example the proposed tribunal with its virtually unrestricted discretionary powers, and the proposed shift in the burden of proof from the Crown, where traditionally it has rested, to the accused. That is presumed guilt instead of presumed innocence.

As a result of this chronic mishandling, the state of our economy is a disaster. The Science Council of Canada has pointed out the urgent need for a new economic strategy, one which would ensure a more effective and profitable use of skilled manpower and natural resources. But this government's past performance indicates that such a policy is likely to be a long time in coming.

However, our economy needs help now. Measures calculated to impart new growth and to convince industry that the government is aware of the need for change must be implemented immediately. What we need is a significant reduction in corporate as well as personal taxes. This would demonstrate the government's awareness that the private sector holds the key to sound and lasting economic growth.

Tax cuts alone, however, will not suffice. This crusading administration will have to cease in its attempts to force the private sector to meet the political and social objectives of government. It is the proper function of private enterprise to generate economic growth and, by so doing, to create employment.

• (1430)

The creeping socialism which characterizes most of this government's legislation will stifle growth and eventually plunge us into an economic crisis, which crisis will provide apparent justification for further government intervention in our economy, and we will then be on our way towards a brand of authoritarian statism most of us, I presume, do not want.

Honourable senators, according to the Prime Minister our chronic unemployment problem would be greatly alleviated, if not entirely eradicated, were people to take the trouble to answer the want ads in the country's daily newspapers, and were they willing to move to those centres where jobs are available. So much for that problem. Such quasi-solutions are all too typical of this administration.

Two years ago, it set about, in an ill-conceived attack upon inflation, slowing down the economy. The outcome was disastrous—18 months of massive unemployment, a condition from which we have yet to recover. The most recent unemployment figures, whether adjusted or unadjusted—I will leave it to the Leader of the Government to explain to us the intricacies of the adjustment or non-adjustments; he has always been a specialist in this field—indicate quite clearly that this administration is still not producing jobs at a rate anywhere near that required to keep abreast of the rapidly expanding labour force.

As a matter of fact, there is significant evidence to show that the government's economic policy is, in some areas, having quite the opposite effect. It is destroying job opportunities by indirectly forcing the closure of certain plants. The figures released in January revealed an unemployment rate of 7.7 per cent in the country as a whole. In the Atlantic region, the rate rose to 12.9 per cent. In Newfoundland and Prince Edward Island over 18 per cent of the labour force was unemployed. In Nova Scotia and New Brunswick over 10 per cent were out of work, and in Quebec 9.8 per cent.

These statistics do not include those who have given up trying to find work—those who are no longer eligible for unemployment insurance, and who have learned from experience how totally useless the Manpower Department is in helping people to find jobs. There is no way of determining how many have been driven to this degree of pessimism and despair, but it is quite likely that they represent a significant number.

What it all boils down to is that the rate of growth of employment in Canada is simply insufficient to meet the demands of a growing labour force, and to reduce unemployment. By no standard is the 1971 employment growth rate of 2.5 per cent acceptable. It is lower even than the 1965-70 average rate of employment growth of 2.8 per cent.

The federal government must cease to hinder our economic recovery with its contradictory budgetary policies, its confusing and frustrating legislation, and its wasteful make-work programs. In short, this government must learn to mind its own business, and cease its authoritarian, unwarranted and unwelcome intrusions into the market place.

But unemployment is not our only major problem. This government is losing the battle against inflation also. The inflation rate is gathering speed. The 4.9 per cent increase over the last twelve months must be compared with the 1.6 per cent increase for the previous twelve-month period. This rise in the cost of living, which is the result of rising prices for food and housing, will strike with a vengeance at those Canadians with low and medium incomes who spend a large part of their revenue on such necessities. It should be possible to reduce the pressure of inflationary consumer demand by increasing the availability of goods, and it should be possible to increase the availability of consumer goods by productively employing the unemployed. Unless this government can be made to understand that it is responsible for much of the inflation that plagues us today, we are fated to repeat the same costly mistakes and suffer the same dismal consequences.

The excessive spending of this administration over the past four years has been, to my mind, the principal cause of the rampant inflation which was temporarily arrested at the cost of such incredible unemployment. But the government is quite unwilling to accept its guilt in this area. It prefers to lay the blame on the doorstep of labour when it is playing up to business, and on the doorstep of big business when it is playing up to labour. If they are worried about votes, private enterprise suddenly becomes the ogre—a den of thieves, unscrupulous tyrants, who are seeking to exploit all those sweet electors. If it is campaign funds the Liberal Party is looking for, then inflation is blamed upon those greedy unions clamouring for unreasonable wage settlements.

This government would appear to have a vested interest in permitting the cost of living to rise. Inflation will help finance those grandiose spending programs which, particularly when they are directed towards the poor, have so very little significant effect. Inflation has done more to widen the poverty gap than any other single contributing factor.

If the government persists in refusing to curb its spending, then there will remain only two ways of controlling inflation. It will either have to slow down the economy and create further employment, or have recourse to compulsory price and wage controls which, as the Standing Senate Committee on National Finance advised us a short time ago, would serve merely to aggravate the problem.

To make matters worse, in the midst of our most deplorable economic situation, the federal government comes down with a bad case of nationalism. It toys with the idea of splendid economic isolationism. How else can one explain the government's attitude with regard to Denison Mines, Home Oil, the tax reform legislation, the Competition bill, and what we know as the Gray Report? This attitude points to a government bias against the movement of investment into and out of Canada, a sort of monetary apartheid, which seemingly extends only to the United States. The upshot of it all has been that the flow of funds into Canada, in certain areas, has begun to dry up. This we cannot afford. This is tantamount to economic suicide. Canada very simply has not the capital resources to finance its own growth in the future.

• (1440)

Admittedly, the degree to which foreigners have assumed dominant roles in some major Canadian industries makes us unique in the world. Nowhere else is this the case. But then the fact to be borne in mind, and which seems to have escaped those alarmists looking for cheap emotional issues, is that we are unique in the degree of geographic and economic intimacy which we share with a larger, wealthier neighbour. The extent of foreign investment in Canada is a reflection of a combination of physical, social, political, and economic relationships for which there exists no parallel anywhere else in the world. We have plenty of resources, but we need the capital to develop them and the markets in which to sell them. To antagonize and alienate our American neighbours is foolishly to jeopardize a market of over 200 million people.

When one recognizes that foreign ownership of assets is relatively meaningless given the fact that their administration is subject to Canadian law, it then becomes obvious that this administration's nationalism is fundamentally socialism suitably disguised to render it more acceptable. Granted, we must actively cultivate domestic capital for domestic development, but this can be done in a more positive fashion than by severely restricting or opposing the introduction of foreign capital.

Honourable senators, I should like now to say a few words about federal-provincial relations. The relations between the Government of Canada and the Government of Quebec are no better now than they were at the beginning of Prime Minister Trudeau's term in office. If anything, they are worse. Yet Mr. Trudeau was supposed to be the man to keep Quebec in its place. He would strengthen the central government; rule with a strong hand. He knew what Quebecers wanted and needed. He was not going to waste time on academic revisions of the Constitution, nor was he going to make concessions to any strident nationalists. He put down an "apprehended" insurrection in Quebec with a great deal of force, but, in retrospect, it appears much of it was unnecessary and it is presently referred to mainly for the political mileage that can be extracted from it.

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

we had made on the White Paper were not accepted or translated into the tax reform bill, and neither were we given a reasonable hearing when we attempted to move the committee's own amendments which it considered absolutely essential. What we received instead were the bland assurances of the minister—who has now been moved to another post—that he would look into our suggestions for improvement and bring in an amending bill if he deemed it necessary.

We are here primarily to review legislation when it comes to us, and to see that it is amended where deficient. We are not here to be told that we will be given another chance later when the government is in less of a hurry and can take time out to listen to us.

It amuses me to contemplate how the huge Liberal majority, so properly docile last December, would have reacted had the same piece of legislation come, under the same conditions, from a Conservative government. These walls would have trembled from the roar of indignation in this chamber. The Liberal majority would have tongue-lashed the government mercilessly. The only instances in the past thirty years of Liberal domination in which this chamber has refused legislation from the other place have occurred during a Conservative administration.

If we give in to the lightly-veiled threats of the other place—and here I mean the government—and servilely rubber-stamp any piece of legislation, be it of major or minor importance then our success in special investigations notwithstanding, we are guilty of a shameful dereliction of our primary responsibility. This chamber should resolve now that never again will this be allowed to happen, and take the measures necessary to ensure that it does not.

As to the appointments to this chamber made by the present Prime Minister, I have but little to say. I have no reason to believe other than that the people appointed will be a credit to the Senate.

However, I must express my disappointment at the fact that while the Prime Minister two years ago gave every impression of being well aware of the need for strengthening the Opposition in order to make the Senate meaningful, he seems now, with his most recent appointments—all of whom are Liberals—to have given in to pressure from various sources. In the past couple of years the number of Progressive Conservative supporters in this house has decreased by seven whereas the number of government supporters, already a huge majority, has risen by more than 15.

This government's considered opinion is that there is nothing wrong with the country that more government intervention will not fix. Government intrusion is piled upon government intrusion, bureaucracy upon bureaucracy, petty regulation upon petty regulation. The whole exercise is stifling. We are wallowing in a quagmire of useless rules and regulations, and the federal government grows ever bigger, more overbearing, omnipresent, autocratic and impersonal.

And how does the individual emerge from all of this? How can we have governments offering to do all of man's thinking for him, protect him against all the vicissitudes of life, and still expect to have men of quality?

Honourable senators, what this country needs is smaller governments and bigger people; a return to the principle that the government that governs least is best. I wish I could have read that somewhere in the Speech from the Throne. What I have read is exactly the opposite.

[*Translation*]

Honourable senators, I bring my speech to a close by saying that this debate gives the Leader of the Opposition in particular the opportunity to make a very general review of the policy of the government, and therefore to praise it a little—every government achieves some good—and above all to criticize the errors and omissions of the government.

Even if some should disagree with me, I feel that, under the circumstances, my criticism was very moderate indeed. It occurs to me that, had I wanted to be mean with the government, this government which for all practical purposes is the same as the one we had in 1963, even though Mr. Trudeau succeeded Mr. Pearson, had I really wanted to be mean I would have borrowed, to describe it, the remarks the present Prime Minister made about the Pearson government. I shall not quote those remarks unless I am provoked into doing so.

I shall merely say that nothing in the line of electoral political opportunism resembles more a Liberal government than another Liberal government.

[*English*]

Hon. Paul Martin: Honourable senators, the Leader of the Opposition will not expect me to subscribe to the essentials of his speech today. I should like to have found one or two places where he might have thought that the government did something worthy of commendation. I, in turn, would like to have been able to find with respect to his criticisms of the government something with which I could feel justified in concurring. But search as I did, I searched in vain and I found that in the characterization of the government's effort by the Leader of the Opposition, he continued to repeat what he said last year that the government was inept, that it was not well led, that it was socialist, and that it was leading Canada down byways of inferiority, and so on. These are remarks which, understandably, are often expressed by those in opposition. However, they are generally mixed, on occasion, with some words of appreciation for at least some things which the government has done.

• (1500)

Hon Mr. Flynn: I complimented the government on their selection of government leader.

Hon. Mr. Martin: Today, however, there was nothing of that generous impulse which I usually recognize in the Leader of the Opposition. So I must deal with him on his own terms.

However, before I do that, I should like to congratulate Senator Buckwold on his speech proposing adoption of the Speech from the Throne. Senator Buckwold is a businessman of great experience, and a distinguished authority on urban affairs, having been mayor of his city, and president of the mayors' association of our country. His speech last night, as well as the speeches he has made on other occasions in this chamber, reveal him to be a man of singular capacity, and we expect from him valuable contributions to the Senate. I hasten to add that the selection of Senator Buckwold as proposer of this motion had nothing to do with his good judgment last December when the Leader of the Opposition was not present, and for a good reason.

[*Translation*]

I should like to tell Senator Lapointe that she has made a strong impression and to offer my most sincere congratulations for the magnificent speech she made here last night.

She clearly demonstrated her great talent and great knowledge and we are all certain that Senator Lapointe will be an asset for the Senate. I wish her great success in her new functions.

I only learned last night, by listening to Senator Lapointe's speech, that the Leader of the Opposition is a former journalist. That, to me, is quite surprising news. I now thoroughly understand why he takes in this chamber positions which I am sure a lawyer, a good lawyer like the Leader of the Opposition, could never take.

[*English*]

Senator Flynn made some comments about the Senate. It is not my intention to rehash the events of last December and January. I am rather surprised, for many reasons which I will not emphasize, that Senator Flynn thought it desirable to refer to those events which engaged the attention of many honourable senators, and I say this most sincerely, no one more objectively than Senator Connolly (Ottawa West) who, in the absence of Senator Hayden, performed his responsibilities as acting chairman in a manner which should have won from all honourable senators today, as it did then, our very warmest appreciation and commendation.

Hon. Senators: Hear, hear!

Hon. Mr. Martin: I should like to put on the record what the Senate did in the Third Session of Parliament, which came to an end last week. My colleague, the President of the Privy Council, on the last sitting day prior to the adjournment for Christmas, put on the record what had been accomplished in this house. I believe it would be of value for us to recall what we did in this house. At the time when the President of the Privy Council made his report, we in this chamber were debating Bill C-176, to establish the National Farm Products Marketing Council. This, therefore, is the first opportunity I have had to recall what we did here during the past session.

Honourable senators, the third session was opened on October 8, 1970, and was prorogued last week, 71 weeks later. The Senate sat in 46 of those weeks, in approximately the same number as did the other place, which sat 52 weeks. That was the first session since the early days of the Second World War to straddle three calendar years. A similarly prolonged session occurred in 1940, 1941 and 1942. The session which has just ended is the third longest in Canada's parliamentary history.

During the session we introduced a dozen government bills, eleven of which were subsequently passed by this chamber and by the other place. We received 48 government bills, chiefly money bills which had been introduced in the other place and which we dealt with and passed here. This makes a total of 59 government bills which became law during the course of that arduous session.

Six public bills introduced by members in the House of Commons were accepted by both houses. Two of our private members' bills were passed in this chamber but not by the other house, although three of our private members' bills were endorsed by both Houses of Parliament.

Some of the public bills which were introduced in the Senate and subsequently became law were the bill respecting statistics of Canada, the bill to amend the Anti-dumping Act, the bill respecting weights and measures, the bill to provide for the obtaining of information respecting weather modification activities, and the bill to amend the Copyright Act.

Honourable senators, some bills which became law in the third session have received considerable public attention. I recall in particular the Public Order Act, the Government Organization Act and the legislation on income tax reform. With regard to income tax reform legislation, the Leader of the Opposition is undoubtedly right: we did receive much criticism, particularly in the newspapers. However, we have sought to put the record right, and many newspapers have corrected even the editorial position they adopted through the inaccurate reports of our effort. That is something we will deal with in another place and at another time.

• (1510)

In addition, I might mention the passage of the Co-operative Associations Act, the Tax Review Board Act, the amendments to the Old Age Security Act, the Regional Development Incentives Act, the Export Development Act, and the Canada Shipping Act, the Textile and Clothing Board Act, the Statutory Instruments Act, the Consumer Packaging and Labelling Act, the Unemployment Insurance Act, the Pilotage Act, the Canada Development Corporation Act, and the Employment Support Act.

Three Senate bills were amended in our committees. Five of our bills were amended in the other place. We amended the Investment Companies Act, the National Environment Week Act, the Consumer Packaging and Labelling Act and the Employment Support Act, all of which were originally introduced in the other place.

In common with the Leader of the Opposition, I would be remiss if I did not mention the excellent reports of our committees. I do not agree with him in his concept of the contemporary role of the Senate. Of course, our function under the Constitution is legislative. It is also, however, open to us to use our time in investigation, scrutiny, and exploration serving the nation, just as was done in another day to a greater extent by royal commissions.

The Standing Senate Committee on Banking, Trade and Commerce produced a report on the White Paper entitled "Proposals for Tax Reform" which recommended, successfully as it later turned out, the abandonment of the integration principle originally put forward in the Carter Commission Report. The committee produced three reports, as we know, on the 1971 tax reform proposals of the government. The Senate debated these reports, not for one, but for seven days, and the committee sat examining witnesses on the principle of the bill for a longer period than did the other place. Unlike the other place, it heard over 162 witnesses.

The report of the Special Senate Committee on Mass Media was published in three volumes. These were debated over a period of 16 days in this chamber. Honourable senators are aware that the public debate is still continuing on television, radio, and in the press. It may not be without significance that in Ontario the newspapers have actually set up a press council as was recommended by the Davey committee.

The Standing Senate Committee on National Finance, under the chairmanship of Senator Everett, in a remarkable burst of energy produced a well received report on Growth, Employment and Price Stability. That report has had a strong impact in the country and the recommendations contained therein and the evidence adduced before the committee do not support the position taken by the Leader of the Opposition in regard to the government's program to control inflation. Senator Everett's report was debated here for five days, and I am sure that the debate will continue in this session.

The Special Senate Committee on Poverty, under the chairmanship of Senator Croll, produced its well argued report on Poverty in Canada. This has been well received by the public, and was debated over nine days in the Senate. I do not agree with the conclusion of the Leader of the Opposition, because if he will refer to page 4 of our proceedings of February 17 he will find a paragraph in the Speech from the Throne in which the Governor General is caused by the Government to observe:

> It is the view of the government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income. Considerable progress towards the goal of a total income security program for all Canadians is achieved in the new Family Income Security Plan bill which will be presented for your consideration. The emphasis in this plan is on protection and is consistent with the Government's belief in the strong sense of self-reliance of Canadians.

In addition I may say that last week the Minister of National Health and Welfare announced that three pilot projects are now under way in western Canada in connection with the basic recommendation contained in the report of the Special Senate Committee on Poverty.

The Special Senate Committee on Science Policy produced the first volume of its report over a year ago. It was debated for seven days in this chamber. The second volume, as we know, was released one month ago, while we were not sitting. The chairman of the committee had obtained leave to issue a report during the period we were not in session. That report will be debated, I anticipate, some time next week. It is a cogently presented report, which has attracted wide attention. I look forward to an important debate on this subject during the course of this session. There is no doubt that the report of the Special Committee on Science Policy, whether or not one accepts its theses, has made a tremendous impact not only in this country but, according to my examination of the newspaper clippings, over almost all the Western world.

We are not all competent technically—and certainly I include myself—to make the type of assessment that should be made. However, I am sure we will all endeavour to fully understand the implications of this report and its meaning for some of our government scientific institutions. We must consider the type of development which will be required during the next decade related to such proposals as are envisaged in it with regard to industrial organization.

The Special Joint Committee on the Constitution has worked conscientiously during the past session. I believe it will table its report very soon. I may say that the members of that committee, according to my examination of the attendance and continuity of participation, have made indeed an important contribution. I do not know what the report will contain. There was an indication recently in the press, however, of some of its contents. In any event, I am sure that when we receive the report there will be an opportunity to consider it in the light of what we think should be done with respect to Parliament itself, not only the Senate but the House of Commons. There will also be opportunity to consider other matters relating to the Constitution.

So, we can look back to nearly one year and a half of productive work during the past session. I thank honourable senators for their co-operation. I feel confident that these qualities which characterize senators will be equally manifest during the coming session. It is not our fault if our work is not properly noted. As a matter of fact, it is not only the work of the Senate in the debates in this chamber that goes unnoticed. I find a great change in the treatment by the news media of the work of Parliament itself. This is a serious problem which should be examined by Parliament in co-operation with those agencies concerned with reporting to

the people on what is done in the constitutionally established places of legislative business.

• (1520)

The Leader of the Opposition said that nothing good could be said about the government; that in the fields of social welfare we were going either too far or, in some particulars, not far enough, that we were not doing enough in the matter of constitutional reform; that the government had not taken sufficiently into account problems that existed in one section of the country as opposed to those in another; that we were not appreciated by labour; and that we had run counter to the Canadian business community.

The criticism levelled against the Canadian government is similar to that levelled against governments throughout the Western world. The problems with which we are faced at home find their counterpart in many particulars in other countries, including unemployment and the like.

Concerning inflation, witnesses who appeared before Senator Everett's committee stated that the problem had been handled better by the present Canadian government than by any other government comprising the 18-country membership of OECD. I believe that is generally conceded, notwithstanding what the Leader of the Opposition said in a fit of political partisanship, and in terms which were not really natural to him.

Hon. Mr. Flynn: You would not do that.

Hon. Mr. Martin: I am sure that most Canadians recognize that the difficult problem of controlling inflation has been dealt with by the Canadian government as well as, if not better than, it has been dealt with by any other country in the Western world.

Hon. Mr. Flynn: For a while.

Hon. Mr. Martin: My honourable friend says, "For a while." There are now signs that we are again moving a little toward inflation. I assure Senator Flynn that the government is aware of this.

The Leader of the Opposition said that we had high unemployment. He is quite right, but he failed to point out that between 1965 and 1970 one million new jobs were created in Canada, a figure which exceeds the total number of new jobs created in Belgium, France, Germany, Italy, The Netherlands, Sweden and the United Kingdom together, although those seven countries have a population twelve times our own. In 1971, 200,000 jobs were created in Canada.

Hon. Mr. Flynn: How many of those have disappeared?

Hon. Mr. Martin: No one will deny that the problem of unemployment in Canada is a tragic one. No one is happy with unemployment. However, I would suggest that the situation might be far more serious were it not for the government's programs designed to mitigate the problem. For instance, the local initiative program alone has created 82,500 new jobs this winter. The Department of Regional Economic Development earmarked $907 million over the past three years towards creating new jobs in those regions which need them most. This represents a major attempt to alleviate the severity of the problem.

The Leader of the Opposition said also that the government had lost its courtship with the business community. An article appearing in the Bank of Montreal's *Business Review*, dated January 26, 1972—this, I know, will please Senator Cook.

Hon. Mr. Flynn: Perhaps he wrote it.

Hon. Mr. Martin: The article states:

> The Canadian economy, in spite of many prophecies of gloom and doom, displayed a considerable resiliency as the year wore on.

It would appear that overall demand, as measured by gross national expenditure, will show a growth in excess of 6 per cent in real terms for the year as a whole, almost double the growth shown for 1970. The *Business Review* goes on to say:

> However, despite the relatively poor demand conditions in major markets, and the loss of price competitiveness resulting from the depreciation of the Canadian dollar, it is expected that, for the year as a whole, exports will show a growth somewhat in excess of 5 per cent (compared with the extremely strong 13.5 per cent increase in 1971).

What are some of these other facts?

Hon. Mr. Flynn: Are you satisfied with that?

Hon. Mr. Martin: I think that is a very good statement, and one that does not help my honourable friend's argument.

Hon. Mr. Flynn: Are you satisfied with that today?

Hon. Mr. Martin: One is never satisfied with imperfection; but there is a great difference between imperfection and the charge of absolute failure which the Leader of the Opposition has sought to level against the government.

Hon. Mr. Flynn: I learned it from you.

Hon. Mr. Martin: You did not learn it as well as I performed it. The national output increase of 6 per cent in 1971 compared favourably with 3 per cent in 1970, and 5 per cent in 1969. This represented the fastest rate of growth in any of the industrial countries of the world, including Japan. Stronger growth in production and sales has been expected in the labour market, and the employment trend has strengthened notably.

The increase in Canadian prices in 1971 was again the lowest among major industrial countries, with the broadest measure of price movements, the GNP price deflator, showing an increase of 3.2 per cent. Employment for the year rose more than 2.5 per cent, twice the rate of increase in 1970.

There are further indications of strengthening economic conditions despite the regrettable level of unemployment. Spending on consumer durables made the

most impressive gain in recent years. The increase was at least 15 per cent in value terms, a substantial rise in automobile sales being a principal factor. The year 1971 was buoyant for housing. An estimated 235,000 new homes were commenced, well above the previous record of 210,000 in 1969.

It is true that stronger demand conditions in Canada brought a sharper surge in imports, which were 12 per cent higher than in 1970. The merchandise trade surplus was in excess of $2 billion, down from the record high of $3 billion in 1970. The balance on all transactions will show a surplus for the calendar year 1971, though small compared with the 1.1 billion figure realized in 1970.

• (1530)

The Bank of Canada's monthly *Review* of January points out that the real output per person employed climbed 4 per cent compared to a gain of less than 1.5 per cent the previous year, and an average advance of 2 per cent in the 1964-69 period. In 1972, notwithstanding our problems with our closest neighbour, exports seem likely to rise by 7 or 8 per cent—this, of course, assumes a strong United States recovery—while imports will advance by 11 or 12 per cent in response to strong domestic demand.

I feel that my honourable friend (Hon. Mr. Flynn), in trying to assess the reaction of the business community of Canada, should have taken into account this type of supporting evidence on which the businessman himself relies so greatly. The *Economist* of London, in its long survey on Canada of February 12, a few weeks ago, stated:

> There is nothing here to suggest that a floating Canadian dollar will be a weakening one—quite the reverse, unless inflation rips out of hand expanding energy and resource exports and a steadily improving performance by Canadian industries suggest that Canada's external balance could in future be as often in surplus as in deficit. This is a change around of primary importance for the strength of the Canadian economy.

I can only say that these references to bodies and institutions that have analyzed our situation do not support the pessimism—the most desperate form of pessimism—which I have heard from the Leader of the Opposition in the Senate.

Hon. Mr. Flynn: You should have listened to yourself some years ago.

Hon. Mr. Martin: Well, in those days there was some justification. As the honourable Senator O'Leary would remark, the Canadian people corrected that situation so that we could rectify matters.

Hon. Mr. Flynn: They will certainly do so again.

Hon. Mr. Martin: My friend said that this government was inept and had not one good thing to its credit. I thought he would have at least given this government credit for some small event or some small achievement, but I heard no word of commendation from him. My honourable friend feels the Leader of this Government and the members of this government are of no value. He did have something good to say about the Leader of the Government in the Senate—

Hon. Mr. Flynn: I never said that.

Hon. Mr. Martin: —but in a very restricted context, setting the Leader of the Government in the Senate quite apart from the government itself.

What are the facts? We now have 600,000 more places to live than we had three years ago, and in those same three years, more low-cost public housing was built than in the previous 20 years. Surely that is something.

We now have laws that state that working people must be treated fairly. They must receive a minimum wage of $1.75 per hour in industries governed by federal regulations. Women now get maternity leave, and someone who cannot obtain a job can receive as much as $100 a week for up to 50 weeks. We now have laws to make sure that we get a fair deal when we buy something, and laws to protect us from dangerous products and dishonest advertising.

We have had strong laws applied and passed when they were needed to maintain the basic security of our country. We now have laws that make it a crime to spread hate literature. We are getting reforms to make sure that there is not one law for the rich and another for the poor.

We now have laws that make things easier for poor people, the businessman, old people and young people. Plans have been started to cut taxes for poor people and corporations. Pursuant to Bill C-259, about which the Leader of the Opposition spoke generally, both at the outset and at the end of his speech, 700,000 people were taken off the tax roll.

Hon. Mr. Flynn: That is not true.

Hon. Mr. Martin: And over 4½ million people were given substantial tax reductions.

Hon. Mr. Flynn: That is a 1969 estimate.

Hon. Mr. Martin: My honourable friend says that that is not true. I will allow him to reply to this.

Plans have been started to increase family allowances where they are most needed and to help businessmen set up businesses that will employ more people. Laws have been passed to provide more money for pensioners and veterans. People receiving old age pension assistance today in one form or another, whether in every case it is satisfactory or not, are recipients of the most generous scheme of its kind to be found in any country of the world. There have been some complaints about the social benefits, but those who believe in them recognize the extent of the government's accomplishments in this area.

Hon. Mr. Flynn: Senator Croll says it is a mess.

Hon. Mr. Martin: My honourable friend says that Senator Croll says it is a mess. The Leader of the Opposi-

tion quite properly attacks this point in an attempt to needle Senator Croll and myself when the real fact is that the mess is in the mind of the Leader of the Opposition.

Our young people have been given the opportunity to prove that they can use their own imagination and energy through Opportunities for Youth. Let no one ridicule that program, as several honourable senators last year did. That program is self-propelling and has given a great deal of work to many of our young people at a time when work for them as for other people is so essential.

We now have programs that help give the people of the poor parts of our country the same advantages and opportunities enjoyed by people in the affluent parts. We now have laws that say that people can deal with the government in either French or English, the official languages of this country.

[*Translation*]

I noted last night what Senator Lapointe said on this subject and I believe the government's bilingualism program represents one of the most important instruments to guarantee the unity of our country.

I believe that when the Leader of the Opposition in the Senate speaks about the Prime Minister, he should be fair and recognize the great contribution he has made in this field.

Hon. Mr. Flynn: I did mention it at the time. It need not be discussed for years.

Hon. Mr. Martin: I am taking due note of what you said today.

Hon. Mr. Flynn: I did so at the time the legislation was passed. I even recommended it before he came into power.

[*English*]

Hon. Mr. Martin: We now have programs which provide real support and encouragement for all culture groups in our country. We now have laws to ensure that all of us and our children will have clean air to breathe, clean water to drink, and more of Canada's natural beauty kept safe in national parks for everyone to enjoy. We now have laws that have established Canada's rights in the Arctic and extended Canada's rights, including fishing rights, in the oceans around us.

So, honourable senators, I believe that the government is not deserving of the indictment the Leader of the Opposition made in his speech today, in what he believes to be a pre-election session. By the way, I do not know where he gets his information. He provoked me to give an account of the government's stewardship, which I would have given in any event, in the event that the Leader of the Opposition was a better prophet than I now think he is.

• (1540)

The Leader of the Opposition did not say anything about Canada-United States economic trade relations. Perhaps he will reserve this for some other occasion. This is an important matter, but as he has not dealt with it I suppose there is no need at this particular moment for me to do so.

Hon. Mr. Flynn: I am just hoping that everything is improving.

Hon. Mr. Martin: I think the situation is normal. This does not mean to say we do not have problems with the United States. These we have. A country whose people have $11 billion invested in the United States, as Canada has, in a country whose people in turn have $35 billion invested in Canada, in itself, particularly a great country like the United States with its large population, does create problems for Canada, just as undoubtedly to a lesser extent some of our policies create situations of concern to the government and people of the United States. But there need not be any doubt about this. Our relations are normal. Our relations are good. They have a very serious international indebtedness problem, which we have recognized and which other countries have recognized.

Our discussions with regard to the production and sale of automobiles is in respect of an agreement the negotiations for which began over a year ago, and are completely unrelated to the events that began with the imposition of the 10 per cent surcharge by President Nixon in the middle of August last. However, there will be an opportunity to say something about that later.

I want to say that, although I was not a member of the delegation, I have heard that the members of the Senate who attended the Canada-United States Interparliamentary Group meeting last week did us honour. We will look forward to a report next week from that delegation, to the extent that it can report on the valuable and, I am sure, important discussions which Senator O'Leary, His Honour the Speaker, Senators Connolly, Hayden and Macnaughton—

Hon. Mr. Flynn: And Senator Beaubien.

Hon. Mr. Martin: —and Senator Beaubien took part in. Senator Beaubien is the last man I should forget whenever I come to a group in which he is included, for reasons that are well known to him and that have to do with a date approximate to December 25 last. He will always be almost the first for me to mention.

Hon. Mr. Flynn: What about your black list.

Hon. Mr. Martin: Well, you are on that.

Hon. Mr. Flynn: I know that, but I am speaking of people on your side.

Hon. Mr. Martin: Oh, we have no black list here.

Last night Senator Lapointe spoke of the situation in the Province of Quebec. She spoke of the separatist movement. I suggest to the Leader of the Opposition that, politics aside,—and I think I am in a position to say this —at the present time in our country no man is better

endowed to deal with that situation than the citizen of Quebec who happens to be the Prime Minister of Canada.

Some Hon. Senators: Hear, hear!

Hon. Mr. Martin: I can assure the Senate that that is my sincere conviction, based upon my association with him in government during the past four years.

Hon. Mr. Flynn: I would say that is a very courageous assertion.

Hon. Mr. Martin: Well, it is my view, which I give quite sincerely, and I think I cannot be accused of prejudice in giving it.

Last night Senator Lapointe mentioned that the Speech from the Throne reminded us of our responsibilty towards other countries in the world. Canada's international responsibilities are growing. Our relations with Eastern Europe are extended; our relations in Africa, as she mentioned last night, have expanded; our relations in Asia are increasing. In re-reading her speech I could not help but note with great interest the importance she attached to the visit of the President of the United States at this time in Peking. That is a welcome and important visit. I am sure that most people in the world welcome a closer relationship between the most powerful country in the world and the most populous country in the world, just as they welcome closer relations with and better understanding between this most powerful nation and the Soviet Union, Japan and other countries.

It remains the policy of the Government of Canada to do all it can, not only to further our domestic interests but, as a member of NATO, as a member of the United Nations, as a member of the Commonwealth, to promote international collaboration. Through active effort in these bodies we believe we can make our best contribution to peace in the world.

On motion of Hon. Mr. McDonald, for Hon. Mr. Michaud, debate adjourned.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN

Leave having been given to revert to Notices of Motions:

Hon. Muriel McQ. Fergusson: Honourable senators, yesterday, February 22, the Report of the Parliamentary Librarian was laid on the Table by His Honour the Speaker. Unfortunately, I was called out of the chamber at that time, and when I read the *Minutes of the Proceedings* of February 22 I was surprised that no motion had been made for this report to be published in our records. For all the years that I have been a member of the Joint Committee on the Library of Parliament—which goes back a long time—and for many years before that, as long, I am told, as Confederation has been in existence, the Report of the Parliamentary Librarian, which he is required to make to Parliament by law, has become part of the records of Parliament and has been printed.

This report contains valuable information, and I understand that copies have always in the past been sent to libraries throughout Canada. It is always used when librarians from other countries come to Canada and visit our library, or write for information about what we are doing in our library. For this reason it is a very useful document.

Because I am a member of the Joint Committee on the Library of Parliament and am deeply interested in the work of the library, with leave I move, seconded by Senator Inman:

> That the Report of the Parliamentary Librarian tabled by the Honourable the Speaker on Tuesday, February 22, 1972, be printed as an appendix to the *Minutes of the Proceedings* of the Senate of this day and form part of the permanent records of this house.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, February 24, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of Polymer Corporation Limited and subsidiary companies for the year ending December 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1972-147, dated January 27, 1972, approving same. (English text).

Estimates for the fiscal year ending March 31, 1973.

POVERTY

REPORT OF COMMITTEE EXPENSES TABLED

Hon. David A. Croll, Chairman of the Special Senate Committee on Poverty, pursuant to Rule 84(3), tabled a report of the special expenses of the committee incurred during the Third Session of the Twenty-eighth Parliament.

THE ESTIMATES

NATIONAL FINANCE COMMITTEE EMPOWERED TO EXAMINE AND REPORT

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1973, in advance of bills based upon the said Estimates reaching the Senate.

Motion agreed to.

LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

That the name of the honourable Senator Fournier (De Lanaudière) be substituted for that of the honourable Senator Cook on the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, February 29, 1972, at 8 o'clock in the evening.

Motion agreed to.

SCIENCE POLICY

REPORT OF COMMITTEE TABLED

Leave having been given to revert to Reports of Committees:

Hon. Maurice Lamontagne: Honourable senators, I have the honour to table the report of the Special Committee of the Senate on Science Policy, *A Science Policy for Canada,* Volume II, *Targets and Strategies for the Seventies.*

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Lamontagne: Honourable senators, I move, seconded by the honourable Senator Connolly, that Volume II of the Report of the Special Committee of the Senate on Science Policy, tabled today, be placed on the Orders of the Day for consideration on Thursday next, March 2, 1972.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. Hervé J. Michaud: Honourable senators, it is within the constitutional role of the Senate to maintain constant alertness to the well-being of minority groups of the country. In this respect I feel that I must put before this chamber at this time the condition of one economically disadvantaged group which is due to the inability of that group to share equally with other Canadian citizens in the wealth and the riches of the country.

In a comprehensive report by the Canadian Council on Rural Development, entitled *Rural Canada 1970: Prospects and Problems,* many of the problems of rural Canada are dealt with in a very thorough way. In my preliminary remarks I should like to echo some of the views expressed in that report. In February 1969, the Canadian Council on Rural Development held a seminar at Geneva Park near Orillia, Ontario, to discuss the basic issues in rural development. Grass-roots people from every part of Canada, many of them farmers and all of them involved in some way with the business of agriculture or with the fishing industry, attended that seminar. Discussion on every aspect of rural life lasted three days,

following which a report was published. In the introduction to that report we can read the following:

> In very simple terms, the participants felt themselves threatened. A combination of economic circumstances and apparent government disinterest had combined to place in jeopardy, not only their economic destiny but the institutions of which they were a part and, indeed, their very way of life. In speech after speech, the note of crisis came through loud, clear and unmistakable.

• (1410)

The word "crisis", it is noted, is not too strong to describe the situation now facing rural Canadians. Important segments of the society, including many farmers from all parts of Canada, see themselves somewhat abandoned by a society almost totally committed to the industrialization of the Canadian economy. Farms are deserted at such a rapid rate in certain areas that trade and professional services have become no longer viable, educational services have to be curtailed, and whole communities often dating back many generations are faced with the danger of total disappearance.

The agricultural problem, of course, is not a problem existing in Canada only; it is common to nearly every part of the world. It is one of the prime concerns of the European Common Market. Some of the developing countries of the Commonwealth are also in the grip of this problem, having difficulty in marketing their domestic farm production.

The fact remains, however, that Canada is faced with a serious situation in agriculture, and its depressing effects are gradually penetrating the general structure of the whole national economy. The rural poor, forced by economic circumstances to emigrate to the cities, because of the difficulties they find in adapting to the urban environment and in acquiring industrial skills, may rapidly come to represent a new substratum of the urban poor. Twenty-six per cent of Canadians live in rural areas. Obviously, all of them are not poor, but many—far too many for such an affluent nation as Canada—exist in relative material deprivation. I should state here that while the national per capita income in 1970 was $3,700.00, the farmer's per capita income was $770.00.

Of course, a reasonable movement of population from the country to the city is not necessarily a disaster. Mobility is, in fact, an essential aspect of modern society. The question is not so much whether there should be a flow of population from rural to urban areas, but how great and how rapid a flow is desirable in social and human terms. Above all, there is one obvious conclusion, and that is that poverty in rural Canada does, in fact, exist. Dr. D. L. McQueen, director of the Economic Council of Canada, in giving evidence before the Special Committee on Poverty said:

> The greatest incidence of poverty and the highest per cent of poverty is definitely found in rural areas.

The conclusion is also unavoidable that the most striking disparities in Canadian incomes are not so much between provinces as between the agricultural sector and the nonagricultural sector, in every part of the country.

[Hon. Mr. Michaud.]

As noted in *Rural Canada 1970: Prospects and Problems,* the United States Advisory Commission on Rural Poverty sadly reported to President Johnson:

> The people employed in agriculture, forestry, fisheries, and mining supply the products and materials for our food, shelter, clothing and manufacturing industries. It seems ironic that those closest to the mainsprings of our economic development are those most adversely affected by it. They have borne the brunt of the forces of technological development. Often their increased productivity has been rewarded by lower incomes.

The approach to industrialization, on the other hand, should also be made with caution. As again noted in *Rural Canada 1970,* it is certainly true that a correlation exists between national wealth and industralization. However, to identify industrialization with development is a vast oversimplification. In many parts of Canada the real opportunity for growth exists in the primary sector of agriculture, logging or the fishing industry. To many of those charged with responsibility for development programs at municipal, regional and even provincial levels, the entire exercise resolves itself into a naive effort to "get some industry in". What industry? Too often the answer is: "Just industry, any industry."

• (1420)

This simplistic approach to development certainly creates a general picture of hustle and bustle, which may be superficially impressive but can only constitute a recipe for economic chaos. It cannot be stated too emphatically that economic development is an infinitely more complex and sophisticated process than "just getting industry in." Canada's economy is one which relies on vitality and growth in manufacturing and the primary sector. In some parts of the country the growth potential is in manufacturing, while in other parts the primary sector has by far the greater potential.

If those responsible for the formulation of development plans, because they must inevitably focus much of their attention on the promotion of industrial growth, come to dismiss social or ecological considerations as of secondary importance, the net result of their efforts in the long run may be a deterioration of the quality of living.

In his intervention on this particular subject on December 7, Senator McGrand stressed the importance of a more rational development of our national resources as a means to alleviate rural poverty in Canada. Citing numerous examples from various countries of the world, Senator McGrand indicated the many benefits that would be derived from the rational reforestation policy he had advocated. His contribution in that regard is highly commendable.

It is within that concept of the fuller development of our natural resources that I would like at this time to deal with the farming problem as it particularly applies to Kent County, New Brunswick. Kent County is basically a rural county. Its three basic natural resources are agriculture, fishing and lumbering, agriculture being recognized as the most important throughout the years. Recently, however, agriculture has been fast declining and unless drastic measures are undertaken immediately to revitalize

that sector of the local economy, agriculture will soon reach the point of total extinction.

Statistics in this respect describe a grim picture indeed. According to census figures, in 1951 some 15,000 people, out of a total population of 27,000 in Kent County, were living on farms. In 1966, 15 years later, the number of those living on farms had dropped to close to 4,000 representing a decrease of at least 10,000 people during that period of time.

This serious situation is reflected also in the acreage of land under cultivation. The 1951 census reported a total of 267,000 acres under cultivation. In 1966 the acreage had dropped to 138,000 acres, representing a decrease of almost 50 per cent since 1951. I suspect that the 1971 census figures, yet to be released, will reveal a larger decrease in both farm population and acreage.

While visiting the farming areas of the county recently in company with another farmer I made an actual count and learned that under 100 farmers are making their living from farming in Kent County. To make matters worse, only a few of those who remain are under the age of 50. It has become obvious therefore that the younger generation has rejected agriculture as a profitable way of making a living. What will be the end result if the present trend is allowed to continue?

According to projected figures issued by NewStart, a federal research agency now piloting its own project in Kent County, by 1980 the population of the county will have decreased to 15,000, representing a drop of almost 50 per cent in the total population over 25 years. It is estimated that in recent years about 1,000 people have been leaving the county annually, these being mostly young people in their productive years and who, for the greater part, leave the county permanently to seek employment in the New England states.

In the light of those circumstances, one might wonder what is likely to happen to the political and social structure of the county, and its regional identity, in the years that lie ahead. The same concern applies also to those human values which will be wasted as a result of the widespread disruption which will follow, and to the declining equity in farm land and farm property in the area.

According to information which I have obtained from pertinent sources, including the Farm Credit Corporation, land in eastern Canada purchased for agricultural use usually sells for between $100 and $200 per acre. That same type of land in my home district is no longer sought. There is no demand for agricultural land in my section of the country, and anyone who wishes to liquidate a piece of farm land generally has only one recourse, which is to offer that land for reforestation purposes to one of the lumber companies which in that case usually pay in the vicinity of $10 or $15 per acre. That is the only outcome for anyone having farm land to sell in that area.

• (1430)

Let us now take a look at another group of figures supplied by NewStart with respect to the general economic picture of the region. These figures are related to what are called economic indicators and are taken from 22 communities in Kent County, which cover the county in its entirety. The highest per capita income from those 22 communities stands at $1,957 and the lowest stands at $908. The poverty line set by the Special Senate Committee on Poverty in Canada stands at $2,140 per capita. Included in the per capita incomes that I have mentioned is the sum total of transfer payments accruing in the region, such as unemployment insurance, family allowances, pensions, social assistance, and the like. These transfer payments equal 39 per cent of the total income of the county. If it is assumed that 11 per cent of the actual earnings of the county's population is now coming from outside the county—and this seems to be a fair estimate—it can be further assumed that the county is self-supporting to the level of 50 per cent only of the essential living requirements of its present population.

Honourable senators, it is not with a light heart, believe me, that I have proceeded to expose before this house conditions of such widespread deprivation affecting an area so close to me. The most startling paradox in Kent County, New Brunswick, is that so much want—20 per cent of the total population received social assistance during the last fiscal year—could exist in the midst of an abundance of agricultural resources which is being abandoned at an increasing rate every year. Surely there is something basically wrong with a system which allows such deplorable conditions to exist.

May I reveal at this stage that I have given some thought in the past to moving a resolution for the appointment of a subcommittee of the Senate to inquire into the whole matter of land use in Kent County. The county has a great deal of good land. There is a local population of over 20,000 people to be supplied with food which is presently being imported, for the most part. The area is situated at the doorstep to Moncton, a city of some 60,000 people which, as the designated growth centre, holds promise of an increasing market in the years ahead. However, had I moved that resolution I suspect some honourable senators might have argued that it would have been improper to appoint a committee to look into a local situation which is not of a general or national character. But who knows what a pilot project of such character might reveal? Who knows that the farmland conditions that exist in Kent County do not also exist, in whole or in part, in other areas of Canada, and that a remedy, if one was found, for the conditions that exist in Kent County would not also become applicable to conditions existing in those other parts of Canada?

In the Speech from the Throne the government announced its intention to establish a small farm development program. This is welcome; it will be a key weapon. By this legislation the government will be seeking to solve a problem that has long been at the root of agriculture's main difficulties. Therefore, it is appropriate that the problem should be fully assessed, in order to ensure that it is dealt with effectively. A Senate committee, such as the one I have in mind, could, I submit, facilitate attaining both an assessment of, and an equitable solution to, that problem. At some future date I may seek to ascertain the views of this house by moving that a committee be appointed to make a pilot study of the problem of small farms, with particular reference to Kent County.

In conclusion, may I say that out of my concern for the future of an area to which I feel so deeply obligated, it is my earnest desire at this time to become of some assistance, in any little way, in those common efforts which have been and are yet being made, with a view to finding an equitable solution to what undoubtedly is a very difficult situation indeed.

The motto of the Acadian festival held at Caraquet, New Brunswick, last summer was the following: "Où il n'y a d'espoir, le peuple meurt"—"Where there is no hope, the people die." Nothing is more profoundly needed in the hearts of those for whom I have just spoken than hope.

• (1440)

[*Translation*]

Hon. Raymond Eudes: Honourable senators, at the start of my remarks, I join the Leaders of the Government and of the Opposition who spoke before me in congratulating Senator Buckwold who moved the Address in Reply to the Speech from the Throne as well as Senator Renaude Lapointe who seconded the motion.

Both of these senators, drawing on past experience acquired in the course of their careers, and each in a characteristic style, marked the debate in a most meaningful fashion.

These two honourable senators will, we are sure, make valuable and efficient contributions to our debates.

As usual, the criticisms of the Opposition in this house, and more particularly in the other place, followed by commentators of the media, both printed and electronic, voiced their customary censure of the Speech from the Throne.

It was taxed with being vague and a tissue of pre-election, inexplicit proposals, none of them clearly defined.

Who could expect a government, within a Speech from the Throne which normally comprises a few thousands words, to analyze in depth all problems facing the nation and suggest there and then, in an explicit synthesis, the measures to be brought before Parliament in order to solve each and every one of these problems.

In fact, even though it would have been more proper for the Opposition to show more objectivity, it was perhaps for the best. The Opposition has its function to perform, and this function of censure, finally, sometimes becomes an incentive for the government to improve its policies.

Without ascribing this beneficial effect to the criticisms formulated by the Opposition, I submit that this Speech from the Throne stands as a continuation of government policy. The goal it set itself during the election campaign before the general election of 1968 and the opening of this 28th Parliament is getting closer, that is to establish a just society through every available means.

Having pointed out that events during the last session had demonstrated to what extent values are changing and attitudes shifting, having recalled that we had gone through a period of international economic uncertainty which affected all of the industrialized countries of the world, the Speech from the Throne underlined the extent of our dependence on a strong economic base to achieve our social goals.

This speech then revealed the main objective of the government, and I quote:

> One of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accomplishment, of fulfilment, and removing from them their identity as individuals.

Expressed perhaps in different terms, this main objective shows that the government is seeking its goal, that its policy is guided by the same ideal: to establish a just society.

This just society, as stated in the Speech from the Throne, must therefore remove completely the social, economic, racial, religious, cultural and intellectual disparities isolating the individual from the society in which he lives.

The government must undertake to remove all barriers leading to isolation, in order that each citizen may freely exercise his rights and that his human dignity be upheld and acknowledged.

The entire Speech from the Throne is based on the respect of the individual and his human personality.

The government intends to submit to our attention about thirty measures to free the individual from such isolation.

I will only briefly discuss the following measures which are dealt with in this excerpt from the Speech from the Throne:

> The Government will lay before you proposals . . . to deal more compassionately with those in our midst who require help, to involve more Canadians in the ferment and satisfaction of community activities.
>
> It is the view of the Government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income.

Security of income, means of livelihood or subsistence without apprehensions about the future are, without doubt, the basis of a just society, the most efficient tool to fight social isolation.

Indeed, how can we imagine that a man capable and anxious to work but who has become unemployed and is unable to provide his family with food, clothing and lodging or another who does not enjoy the same standard of living as his neighbour can consider themselves as useful members in good standing of a just society.

The government is aware of such conditions when it states in the Speech from the Throne that—

> Unemployment continues to be a matter of intense concern and will remain a primary focus of attention and action—

adding that it will—

> redouble its efforts to make sure that as many jobs as possible are available and that the fullest possible use is made of the skills and initiatives of those who are seeking work.

The government is committing itself, although it warns that we must not confuse unemployment and poverty, when in the same speech it states more or less in the following terms:

As a further protection against the isolation of individuals caused by economic deprivation, the fundamental reform of social security legislation is essential. Employment procedures and programs must be reviewed and improved, in order to make training and placement services adequate to the needs of disadvantaged citizens.

The personal dignity of the individual as well as his participation or involvement in the just society remain illusions without income security.

To achieve this end, that is to protect against isolation the victims of poverty under its multiple and often hidden forms, and to replace them in the context of a society which attempts to be just, the government has a tool whose value is unchallenged, that is, the report submitted by the Senate Special Committee on Poverty.

The members of this committee spent three years studying this problem. Eight hundred and ten witnesses were heard, 209 briefs were compiled and studied, most of them bolstered by statistics, from organisations and individuals, from all classes of society, and from all parts of this country.

The report of this committee, tabled in this house on November 16, 1971, has since been praised by the press, radio and television, by responsible citizens' committees concerned about human dignity, by the poor and the public in general. It has created such an interest that the first printing of this report has been exhausted for more than three months.

This government has been so inspired by this report, that it seemed to have ignored *a priori*, judging from legislation that it intends to put before Parliament in the course of this new session, and which deals mainly with income security, improvement of employment programs and services, review of the social security system, legal aid for the poor, etc.

Without claiming to be a miracle solution to the problem of poverty, this report is much more than a laudable effort. It remains the only global study undertaken in this country on this problem as a whole, and represents, as I said, a document whose value is unchallenged.

Reputable editorialists have claimed that a royal commission of inquiry on the same subject would have sat longer, would have cost the taxpayer much more, and would have been hard put to present as complete and comprehensive a report as that tabled by the chairman of the committee, Senator Croll.

To free the poor from their isolation from society is one of the priority goals the government has recognized in the legislation it will introduce in Parliament during the current session. That was precisely the purpose of the surveys made by the Senate Committee on Poverty.

Indeed, what is poverty? To start with, we agree with the usually accepted definition: whoever lacks the necessities of life: food, lodging, clothing, is poor.

Reflection, however, proves this concept incomplete. Studying the briefs submitted to the Senate committee by groups and individuals from different regions, with different backgrounds and mentalities and hearing the witnesses in the field considerably changes the dimensions of that preconceived concept.

Often, from our point of view, we consider to be poor a man who is quite content with his lot. On the other hand, we often consider to be well off someone who complains about his misfortune.

The poor in Labrador and the poor in Whitehorse, the poor in a large city and the poor in a small fishing village need not necessarily show the same characteristics.

The objective aspect of poverty, which is computed on paper by specialists using impersonal statistics and defining as poor a person whose income is less than a certain sum, must be supplemented by aspects of subjectivity and relativity, which are more intangible and more difficult to grasp.

Subjectively and relatively, poverty varies among individuals on the basis of education, environment, occupation and age.

So, we are always surprised at the difficulties that authorities have to face in their efforts to eliminate slums. Families living in dilapidated houses without the most basic sanitary facilities had to be forcibly evicted and relocated in accommodations with all modern facilities. Why? Because they would not part with their old possessions, they would not break with a past, however miserable, to which they were devoted.

• (1450)

Some people who do not own a car can easily do without it. Others feel poor and frustrated if their car, television set, refrigerator, et cetera are not of the most recent colour and model.

Some who live in comfortable houses but surrounded with neighbours who have heated garages and swimming pools feel poor and humiliated, whereas their house would be considered luxurious if it were moved to a more modest part of town.

Some people feel poor when they lose their jobs because they can no longer afford the same standard of living. Others who have been unemployed for years are satisfied with their lot. They receive social welfare benefits, their families have the necessaries of life and they have more leisure than their neighbours who must work for a living. They may even refuse a job, because it would not pay much more than what they are getting in benefits.

Thus we see that poverty is objective and subjective at the same time, because it has various aspects.

Since it is difficult to define poverty with mathematical precision, the report of the Senate Special Committee on Poverty, which I mentioned earlier, has considered as victims of poverty all persons suffering from some kind of misfortune: the unemployed, people without a steady job, the disabled, the old and, generally speaking, people without income or people without a sufficient income.

If it is difficult to define poverty, it is even more difficult to determine its causes which are as numerous as they are confused and unforseeable.

Some of them, such as physical deficiencies, unemployment, inflation, may be detected easily. Others, such as ignorance, laziness, incompetence, are much more difficult to assess.

There is, for instance, much ignorance about the levels of jurisdiction—federal, provincial or municipal levels—

which causes delays and inefficiency in the administration of the various security programs established to help the needy.

There is also the ignorance of the heads of family who are not able at all to administer their budget.

There is the ignorance of many people who get tempted by an advertisement leading them to buy immediately expensive items they do not really need and pay for them later. Those people often forget that the interest often amounts up to 24 per cent of the purchasing price.

An unbelievable number of needy people have no idea of the benefits they are entitled to, the conditions under which they can be eligible, or where or to whom they should apply.

We must admit that, because it comes under three different jurisdictions, our welfare system is of a complex nature and is difficult to understand and administer.

This system gives the poor the basic necessities without encouraging able-bodied people to earn their living which would restore their dignity as productive and useful members of society.

Moreover, since the introduction of the various welfare measures, the ministers responsible for administering them frequently have to change the procedures as regards conditions or payment, while the number of needy people or recipients increases steadily.

Today people wonder whether this welfare system, which costs about $6 billion a year, fully achieves its purpose.

It is criticized mostly for failing in one very important respect, which is to encourage, to incite people to work.

Does it not seem to invite idleness in many cases, not so much because of the bad faith of recipients but because of its own shortcomings?

Every day there are newspaper advertisements for jobs which nobody applies for. This paradox is easy to explain.

The unemployed who accepts temporary employment runs the risk of being deprived of his welfare benefits for weeks once he leaves the job. It is easy to understand why he wonders whether it is not more profitable for him to live on welfare than to work. And this may soon result in the working man despising the unemployed.

Yet, in spite of its deficiencies and its complexity, our social security system is one of the most advanced and comprehensive in the world.

Surely, it must be improved, cost less to the taxpayer, and above all prove itself more just and efficient in order to remove those barriers which keep the needy in isolation.

The briefs and testimonies gathered by that Senate committee supply valuable data on the whole problem of poverty, on our system of social security and on the suggestions offered to fight the scourge of poverty.

The report which has been submitted forces us to reflect on the problems of our unfortunate fellowmen and to feel deeply that people are not always responsible for what happens to them.

Why are some born rich and others poor? It would be useless to wonder who is responsible for poverty.

One fact remains. Poverty is everywhere. Our country is known in the whole world as a free country and we actually enjoy more freedom than probably any other country; it was said recently that Canada was one of the countries where it is easier to be happy; it is a country with huge and diversified resources such as mines, forests, fishing, agriculture, which spreads from one ocean to another, and offers limitless opportunities.

And yet five million out of our 22 million citizens are considered to be living below the poverty level.

Eight people out of ten among those living on welfare have no other income. Sixty per cent of those living below the poverty level are receiving no social benefits and are active members of the labour force who receive a salary barely in excess and sometimes less than the benefits they would get from social welfare.

Of course, there will be always poor people among us. However, let us not forget that we are all inter-dependent brothers and equals before God and men. The whims of fate and the contingencies of life are only responsible for our various circumstances. Let us not allow such differences to turn into an insurmountable obstacle.

Let us not say out of indifference or cowardice that whatever we do poverty will never be eliminated. Of course not. Poverty will never be completely eliminated but it could be reduced.

There is a more couragous approach which would be to tackle, examine and analyze this problem and then suggest solutions to solve it. This is exactly what the Special Senate Committee on Poverty had in mind and, as we can see from its report, this is what it believes it has done in spite of its deficiencies due to human nature.

The duty of each and everyone of us, of every citizen conscious of his obligations and responsibilities toward his neighbour, is to continue through a massive effort the fight already underway against this plague that is poverty.

This is one of the tasks that the government committed itself to undertake in the current session— to bring back stability between the income of individuals and a normal cost of living or, in other words, to remove the victims of poverty from their isolation.

Let us hope the government will be successful at this task which is a difficult but never completely impossible one.

It will have moved one step closer toward eliminating the barriers of isolation which deny the poor access to and participation in the just society.

[*English*]

On motion of Hon. Mr. Williams, debate adjourned.

The Senate adjourned until Tuesday, February 29, at 8 p.m.

THE SENATE

Tuesday, February 29, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a Report, Volumes 1, 2 and 3, dated January 1972, on a study of marketing in the Canadian footwear industry, commissioned by the Department of Industry, Trade and Commerce.

Copies of a document giving the Canadian position with respect to Conventions and Recommendations adopted at the 53rd and 54th Sessions of the International Labour Conference, held in Geneva in June 1969 and June 1970, respectively.

STANDING SENATE COMMITTEES

CHANGES IN MEMBERSHIP

Hon. John M. Macdonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

That the names of the honourable Senators Blois and Haig be substituted for those of the honourable Senators Bélisle and Quart on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce;

That the names of the honourable Senators Bélisle, Grosart and Phillips be substituted for those of the honourable Senators Macdonald, Quart and White on the list of senators serving on the Standing Committee on Internal Economy, Budgets and Administration; and

That the names of the honourable Senators Sullivan and Yuzyk be substituted for those of the honourable Senators Bélisle and Grosart on the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

FOREIGN AFFAIRS

ADDITION TO COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator Heath be added to the list of senators serving on the Standing Senate Committee on Foreign Affairs.

Motion agreed to.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

MOTION FOR APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE—DEBATE ADJOURNED

Hon. Paul Martin moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the following senators be appointed to act on behalf of the Senate on the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, namely, the honourable Senators Fergusson, Forsey, Goldenberg, Grosart, Haig, Lafond, Molson and Rowe; and

That a message be sent to the House of Commons to acquaint that house accordingly.

He said: Honourable senators, in view of the importance which I am sure we attach to this matter, I should like to say something about this motion proposing that eight senators, from both sides of this house, should be nominated to the Standing Joint Committee on Regulations and other Statutory Instruments. I believe that this joint committee, representing as it does both Houses of Parliament, is an important committee. In the years ahead I anticipate that it will come to have a considerable impact on the operations of government. We do not think of it as a significant but ad hoc special joint committee, such as that on the Constitution. Nevertheless it will have an ongoing task; its work will never be over; there will always be more important matters to probe. Like other standing joint committees, this joint committee will take its place among the permanent features of Parliament.

• (2010)

Honourable senators will recall that parliamentary consideration of this proposal goes back to the early days of this Parliament. A Special Committee on Statutory Instruments was established in the other place, and brought down a number of reports. The third and most significant of these was completed towards the end of 1969. I am sure the house will understand my saying that the committee owed much to its young chairman, Mark MacGuigan, who, although a novice to Parliament, had already shown his wisdom in seeking the nomination and securing election to one of the finest constituencies in Canada. I think it will be generally recognized that as chairman of this committee, he has made a notable contribution to the liberty of the subject in Canada.

The report which he presented to Parliament, and which we have discussed, stressed the responsibility of the executive to Parliament for delegated legislation as well as for the enactment of statutes. This was to be done in four ways:

(1) it proposed that the government consult fully with the public and with parliamentary standing committees before making regulations;

(2) it proposed an extension of the ambit of the present internal scrutiny of regulations by the Privy Council Office and the Department of Justice before making regulations;

(3) it proposed full publication of regulations after they had been made, with certain limited exceptions;

(4) it proposed the establishment of a new parliamentary standing committee, and regulations to provide for public scrutiny of those regulations.

On February 19, 1970, I moved, seconded by the Leader of the Opposition (Hon. Mr. Flynn):

> that the Standing Senate Committee on Legal and Constitutional Affairs be instructed to consider and from time to time report on procedures for the review by the Senate of instruments made in virtue of any statute of the Parliament of Canada, and to consider in connection therewith any public documents relevant thereto.

My purpose in introducing the motion was that the Senate could thereby study the recommendations of the third report of the Special Committee on Statutory Instruments of the other place. The Senate might accept these recommendations; the Senate might vary these recommendations; or the Senate could produce an entirely new report if it believed this was necessary. I was convinced that the Senate had a role to play in the statutory instruments field. Likewise, this was the view of the Leader of the Opposition and practically all who spoke in that debate. I recalled that both the British House of Lords and the Australian Senate had committees of their chambers which were concerned with delegated legislation.

I mentioned at that time the recommendation of the committee that there should be an expansion of the legislative section of the Department of Justice, since the draftsmen were overworked. This was a view shared by many members of this chamber, and a point emphasized by the Leader of the Opposition in the Senate.

The next stage in this process occurred on June 16, 1970, when the President of the Privy Council explained that implementation of the recommendations of the Special Committee on Statutory Instruments would require three different actions. First, this would require legislative action by Parliament to replace the existing Regulations Act by a new Statutory Instruments Act; second, a number of cabinet directives to implement several of the recommendations, which could not be dealt with by general legislation; third, amendment of the standing orders for the purpose of establishing a scrutiny committee to review regulations. He went on to say:

> During the next session of Parliament the government will recommend that such a scrutiny committee be established and that by the proposed statutory instruments act all regulations, with the single exception of regulations the disclosure of which would be injurious to international relations, national defence security or federal-provincial relations will stand permanently referred to such committee.

The opposition leader in the other place, outside the house, affirmed that this represented almost complete compliance with the report of the committee.

On June 17, the then Minister of Justice, and his associate deputy minister, testified before the Standing Senate Committee on Legal and Constitutional Affairs. There has been a certain amount of turnover in the membership of the committee since that time, but those senators who attended that hearing will recall that it was a fruitful meeting. I think a number of the senators may have had in mind the disadvantages of each chamber having a separate committee on Statutory Instruments, and I believe that the minister also thought that a joint committee would be preferable.

The Statutory Instruments Act, Bill C-182, was sponsored by the Minister of Justice, passed through both Houses of Parliament, and received royal assent during the past session. It was proclaimed to come into force on the first day of January, 1972. The act entailed amendments to the Interpretation Act, the Canadian Bill of Rights, the Defence Production Act, and the Export and Import Permits Act. The Regulations Act was repealed. The coming into force of the act, together with the statutory instruments regulations, implements to the extent possible those recommendations of the report of the committee of the other house that were capable of being dealt with by general legislation.

On October 14, 1971, the other chamber passed a motion to amend their standing orders to provide for a joint committee involving twelve representatives from that house. We amended our rules on October 12, 1971, to add a new subparagraph (d) of Rule 67(1) providing for the appointment of eight senators to the joint committee.

The new legislation is intended to provide the general public with a greater measure of protection against the violation of the rights of the citizen in a free society. The joint committee is one means of providing that protection, since the committee is to be empowered to review regulations and other statutory instruments.

• (2020)

It is also provided that there shall be an internal review of proposed regulations by officers of the Privy Council and the Department of Justice before they become law. Another provision of the act gives the public a statutory right to examine and obtain copies of most regulations and other statutory instruments.

The act goes beyond the federal government, to the extent that federally incorporated companies have to examine their position to ensure that they are acting in compliance with the act. Failure to register a regulation in compliance with the act means that the regulation has no legal force or effect.

The coming into force of this Statutory Instruments Act, and the creation of the Standing Joint Committee on Regulations and other Statutory Instruments, is an important achievement for Parliament and an important safeguard for the general public. Much of the work of the committee will be undertaken far from the public limelight, but the effect of its work should prove far-reaching and long-lasting. I believe that many will look back upon this period as an important stage in the development of democratic control and the commencement of a new era in subordinate legislation.

I commend this resolution designating certain members of the Senate to the joint committee, and I propose that if we so agree a message accordingly be sent to the other place.

Hon. Jacques Flynn: Honourable senators, I am pleased that this Standing Joint Committee on Regulations and other Statutory Instruments will soon be operative, as the need for such a body is great. We, as parliamentarians, are entrusted with the task of making laws which affect the whole of Canada. No one else has that responsibility. We must bear this fact in mind when delegating authority to subordinate bodies.

For reasons of administrative efficiency, we delegate power to certain arms of government to draw up regulations to statutes. Unfortunately, in the past we have not paid sufficient attention to the way in which subordinate legislative bodies have carried out their tasks.

There have been instances in which the regulations did not reflect the spirit of the law. We have had examples of authoritarian and capricious regulations which imposed a serious and unnecessary burden upon the citizen and which represented, indeed, legislation by order in council.

Delegated authority has given government the opportunity to incorporate into the law under regulations items which Parliament would never have tolerated had they been presented as part of the actual bill. For these reasons, we need a parliamentary body to oversee the work of those responsible for drafting regulations.

Successful administrators do not assign tasks and then completely disregard the manner in which they are carried out; yet Parliament has done this for too long. I am pleased that we are now accepting the full scope of our responsibility as legislators and will look into the manner in which delegated authority is used. We must protect the human rights and civil liberties of Canadians and also the rights of Parliament. Power to delegate legislative authority could be used to put an end to constitutional government. Parliament, which means the majority, could delegate its law-making power to another body, and parliamentary government would then be suspended. This is an extremely dangerous area, especially in these days when executive branches of government are striving to increase their powers of legislation.

Those of us who cherish freedom, those of us who fear statist governments, those of us who do not want to see the authoritarian we stopped at the front door sneak in the back, welcome the institution of this joint committee. It will have to acquire experience before it really becomes effective. However, I feel sure that the members representing the Senate on this committee will make a significant and useful contribution. They will be free to do so because neither the Leader of the Government in the Senate nor the Leader of the Opposition in the Senate will be members of that joint committee.

Hon. John J. Connolly: Honourable senators, I should like to take part in this debate for a few moments. There is in the current issue of *The Parliamentarian* an article on the House of Lords by Lord Shepherd who was Chief Whip during the days of the Labour government in England. Lord Shepherd was in Canada as, I believe, the leader of the British delegation for a while at the 1966 Commonwealth Parliamentary Association meeting.

In this learned and sophisticated article he discusses in a general way the powers and functions of the Lords, and he makes a particular point of the importance which the Lords attach to their scrutiny of subordinate legislation. This has been a problem, of course, in Britain for a long time and they faced up to it much more quickly, I feel, than we have in Canada. We have not been oblivious of the importance of it. One only has to look at the regulations extant under the Income Tax Act to realize how important regulations are. Or one can look at the numerous boards, committees and administrative tribunals that are issuing orders constantly. The volume of subordinate legislation and the volume of decisions which bear upon life in the modern state is something to appall the ordinary layman. No one person can be an expert in all areas of this field.

There is one aspect, however, of this matter that I should like to refer to. Before doing so I should say that I feel the interest of the citizen, the position of the common man in the face of the proliferation of subordinate legislation, is a responsibility for Parliament to protect. Through the establishment of this committee, under the aegis of the bill passed by Parliament some months ago, Parliament will go far towards discharging that onus.

There is another area of legislation, and I intend to ask the Leader of the Government a question about this because I am not sure of the ground upon which I am proceeding. When the War Measures Act is invoked at a time of national emergency, the amount of subordinate legislation enacted is enormous. Parliament generally knows nothing about it. I believe Parliament realizes in such circumstances, because of the security element that is involved in wartime operations, that many of those orders must be secret. The security of the state is involved. I wonder what the position of this committee is in respect of such orders made under a bill like the War Measures Act. I should think that while the act is in force it would be possible to say that the orders are secret orders and should not be examined, but would have to stand the test of examination when the War Measures Act has been revoked. While it is important to remember that this committee will be a further protection for the rights and liberties of the individual, we should also, I submit, bear in mind that there are occasions of emergency and of crisis when it is perhaps not desirable that every regulation made should be open to scrutiny, even by this committee or by Parliament.

• (2030)

Hon. Allister Grosart: Honourable senators, the Leader of the Government, in introducing this motion, left two very important questions unanswered. One was referred to a moment ago by Senator Connolly (Ottawa West), namely, the status of those statutory instruments that may be invoked or put into operation by the government but are not referable under the act to this committee. The other question, of course, refers to the very limited powers of this committee, which as I understand it are merely to review. Under the act, as I have read it, the committee does not even have the power to report.

As Senator Connolly (Ottawa West) pointed out, there may be matters which it would not, in his view and in the view of others, be advisable to refer to this joint committee. I hope the Leader of the Government will have a better explanation of this than I have received to date. I suggest that this committee will be in the position of having certain statutory instruments referred to it, but having no idea whatsoever what other statutory instruments may be in effect about which it knows nothing.

I would therefore ask the Leader of the Government if it is the intention of the government in the implementation of the act, following the resolution that has just been proposed, to indicate to the joint committee on a confidential basis the headings, at least, of those statutory instruments about which the committee knows nothing. If that

is not done, I suggest the work of this committee will be largely a farce. If the committee is merely dealing with what the government says are the statutory instruments it is entitled to look at, then the committee is not looking at the whole problem of statutory instruments.

It amazes me that this committee has powers so limited that all it is empowered to do under the act is to review. As I understand it, there is not a word in the act that says what the committee can do after its review. This committee can talk forever. It is not even required to report. If it were to report, to whom would it report? It is a joint committee. Does it report to both houses and say, "We don't like this statutory instrument"? Does it have any power in any way to bring pressure on the government to change its ways and to alter this unconscionable process of government by executive without reference to the normal process of parliamentary legislation?

I would ask the Leader of the Government to take those two questions into consideration and, if not now, at least in due course give this chamber a rather more explicit indication of the scope of activities that this important committee is expected to undertake.

Hon. G. Percival Burchill: Honourable senators, speaking as a layman, I would like to mention one thing to the Leader of the Government, the Leader of the Opposition, and all who participated in the debate when this matter was discussed in the Senate some time ago.

On many occasions, lawyers have spoken to me and complained about the multiplicity of laws and regulations. Only last week, in the City of Saint John, a distinguished member of the legal profession complained bitterly about this. He spoke about the great volume of legislation that was being passed, and how difficult it was for him to keep himself up to date. He then referred to the multitudinous regulations.

I want it to be known that this is regarded as a very urgent matter. I am sure the proposal will be endorsed by the people generally, and that it is a step in the right direction.

On motion of Hon. Mr. Goldenberg, debate adjourned.

[*Translation*]

SCIENCE POLICY

REPORT OF COMMITTEE EXPENSES TABLED

Hon. Maurice Lamontagne, Chairman of the Special Committee on Science Policy, pursuant to Standing Order 84(3), tabled a report of the special expenses of the committee during the Third Session of the Twenty-eighth Parliament.

[*English*]

LEGAL AND CONSTITUTIONAL AFFAIRS

REPORT OF COMMITTEE EXPENSES TABLED

Hon. Harper Prowse, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, tabled a report, pursuant to Rule 84(3), of the expenses of the committee incurred in connection with the examination of the parole system, during the Third Session of the Twenty-eighth Parliament.

[Hon. Mr. Grosart.]

LOCAL INITIATIVES PROGRAM

NOVA SCOTIA APPLICATIONS—QUESTIONS

Hon. John M. Macdonald: Honourable senators, I have a few questions I should like to put to the Leader of the Government. I realize that the answers cannot be given this evening, but perhaps he will obtain them and give them in due course. The questions are:

1. What projects have been approved under the Local Initiatives Program in the Province of Nova Scotia?

2. What is the amount of the grant involved in each case?

3. Who actually received or is to receive the grant?

4. How many jobs is each of these projects supposed to create?

5. How long will these jobs last?

6. What project applications emanating from Nova Scotia were rejected?

7. Why specifically was each rejected?

Hon. Mr. Martin: I shall certainly take notice of those questions and shall try to give replies as quickly as possible.

LABOUR RELATIONS

DISPUTE BETWEEN TREASURY BOARD AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS—QUESTIONS ANSWERED

Hon. Paul Martin: Honourable senators, a week ago Senator Cameron asked me four questions. The first was:

> Does the government not think that the so-called collective bargaining process has just about run its course so far as the International Brotherhood of Electrical Workers is concerned?

The answer is:

> The collective bargaining process is unlikely to run its course in any final sense. That process appears to be widely acknowledged in Canada as being the most effective means available to determine terms and conditions of employment. Its application in the Public Service of Canada has enjoyed far more success than failure, since over 250 collective agreements have been signed without disruption difficulties as a result of direct negotiation. Strikes and threats of strikes have been few.

The second question was:

> How is it necessary for a sovereign government to have to ask one of its creations for permission to prosecute common lawbreakers?

• (2040)

The answer is:

> The Public Service Staff Relations Board is a creation of Parliament, not the government. Having recourse to such a tribunal is a common requirement in most labour legislation across the country. Resort to the institution of prosecution should not be precipitate and it should be instituted after other methods of ensuring compliance with the legislation have failed.

It should be recalled in this instance that the government, through the Treasury Board, was one of the parties to the labour dispute.

The third question was:

Third, granting that this supreme authority, the Public Service Staff Relations Board, deigns to give the Government of Canada permission to enforce the law of Canada, will the government prosecute these people to the full extent of the law, under which they are liable to fines of $100 per day?

The answer is:

The maximum fine for each offence is $100, not $100 per day, for employees convicted of violating the act. There are stronger penalties for the union and union officers who violate the act. Application has already been made to the Public Service Staff Relations Board for permission to institute proceedings to prosecute those who in the opinion of the employer have violated the act. Hearings will be conducted shortly by the Public Service Staff Relations Board.

The fourth question was:

Finally, does the government contemplate repealing the section of the Public Service Staff Relations Act which gives public servants the right to strike?

The answer is:

The Public Service Staff Relations Board held in 1970 that sections 6 and 101 of the Public Service Staff Relations Act when read together may be interpreted as conferring upon employees the right to strike. There is no express provision in the act that confers on public servants the right to strike. The minister responsible for the Public Service Staff Relations Board commissioned a study of the workings of the Public Service Staff Relations Act and that study has now been turned over to the President of the Privy Council who was recently appointed minister responsible for the Public Service Staff Relations Board for his consideration.

Hon. Mr. Cameron: Honourable senators, I wish to thank the Leader of the Government for his courtesy in replying to the questions I put the other day. But I would suggest that the time has come when this chamber, or some other place, should take the necessary steps to clear up the ambiguities which exist with respect to the right to strike. Even today 32 flights out of Montreal were cancelled while some 20 flights were cancelled out of Toronto. These cancellations are caused by one small group of people. It is high time this was stopped.

Hon. Mr. Flynn: Honourable senators, I merely wish to state at this time that I had some supplementary questions to put to the Leader of the Government. However, in view of the incident that occurred yesterday in the other place, I am afraid of the qualifications that might be put on my questions, so I am going to refrain from putting them today. But that fear will soon disappear.

Hon. Mr. Martin: I can only say that I do not understand the observation.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 24, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. Guy Williams: Honourable senators, first I want to express my thanks and appreciation of my good fortune for the privilege of being appointed to sit in this place of high honour and dignity, full of long and lasting traditions of the Crown. My family joins with me in saying "Thank you." You have extended congratulations to me and have wished me well. This gesture has helped me to adjust to the many responsibilities of this Upper Chamber.

I must say at this time that I have enjoyed the debates since my appointment, and I believe I have learned a great deal from them. I expect to learn much more as time goes on.

I wish to dwell at some length on the Speech from the Throne and the aspect of isolation in its many forms, particularly the isolation of the first citizens of Canada, my people. I would be remiss if I did not voice the effects of this isolation along with the effects of your civilization. In order to do that I shall take you back to a period of history which existed more than two centuries ago.

The culture of the Iroquois tribes differed considerably from that of the nomadic Algonquin bands. The Iroquois were, first, largely an agricultural people. Their villages were permanent fixtures in the forests, which were cleared to plant gardens and accommodate the deer that browsed on the fresh growth. The fiercest of the Iroquois were the Mohawks, who lived along the Hudson River in New York. West of them were the almost equally fierce Oneida, and then came the Onondaga, a relatively peaceful tribe. Further west were the Cayuga, a small group, while the most westerly Iroquois and the most numerous were the Seneca, who harassed the Indians living along the Ohio River and its tributaries.

At approximately the year 1570 these five tribes formed the Hodesaunee or League of Five Nations. This group became known as the Six Nations when the remnants of the Tuscaroras were admitted in 1722. This confederacy was to last a full two centuries, finally breaking up at the time of the American revolution when most of the Mohawks, Onondaga, Cayuga and Seneca sided with the British against the Tuscaroras, and the Oneida on the side of the revolting colonies in 1776.

Although legendary as to its origin, the confederacy probably received its impetus from the probings of the French ships into the Gulf of St. Lawrence early in the sixteenth century. Although there is no record of direct contact between them and the Iroquois at that time, the Iroquois could hardly have been unaware of the white intrusion just beyond their borders. Cartier, for example, sailed up the St. Lawrence River, and probably reached the vicinity of Montreal 35 years before the league was allegedly formed.

• (2050)

The League of the Iroquois deeply impressed the white settlers, and some historians believe that it was one of the

models on which the Constitution of the new United States of America was based. Apparently the league somewhat resembled the union of the 13 colonies in organization, but some contend that it could more accurately be compared to the United Nations. The league did not deal with internal problems of the member tribes, but solely with the external affairs of war and peace. The league had a constitution that was orally transmitted, but it could not levy taxes and it lacked a police force to carry out its decisions.

The hereditary leaders, the Council of Sachems, also translated as the Confederate Lords or the Confederate Council, could not interfere in the affairs of individual tribes—an arrangement similar to the limited power the first United States central government once had, under its Articles of Confederation, over the internal affairs of the 13 states. Each tribe had its own Sachems but they were also limited in other powers; they dealt with relations between clans but not with clan matters themselves. The emphasis was on equality between individual tribes.

Democratic as the Iroquois system might have appeared to early settlers, it too suffered from the shortcomings that have existed in other power structures. The 50 Sachem titles were rigidly controlled. Only males belonging to certain matrilineages within each tribe could hold the Sachem or lordship titles. When a Sachem died his successors could be selected from only the matrilineage holding that title. Furthermore, the women were the ones who did the choosing. If the Sachem selected failed to perform his duties or to respond to the wishes of the tribe, he was removed and replaced. While the women did not themselves rule, they had the sole power to appoint and to remove from office.

Now we come to the Great Laws. The Constitution of the Iroquois League is known to the Iroquois as the Great Binding Law or the Great Immutable Law. In Iroquois the term is Ne Gayanashagowa. Transmitted orally from one generation to another, its knowledge has been preserved by a collection of wampum, string bead belts. Each bead served to recall a law or regulation. Not until recently have the Iroquois attempted to put their code in written form. The version of the constitution now held authentic by the Iroquois in New York and Ontario was drafted into the English language by Arthur C. Parker, of distinguished Seneca-Iroquois ancestry. Consisting of 117 separate sections, it makes provision for the whole spectrum of inter-tribal relationship and social intercourse. The prefatory articles of the Great Immutable Law are not too dissimilar to the preambles preceding the constitutions of modern states.

The constitution allocates specific duties to each of the five member tribes. The Onondaga—the Fire Keepers who looked after the Council Fire—were charged with the responsibility of calling the Confederate Council into session after they had duly considered the necessity of bringing a matter before the Confederate Council. Under the constitution the Mohawk Lords were appointed as leaders of the Five Nations Confederacy with a deciding veto power. The Mohawk Council was divided into three sections for deliberative purposes, with the third having the responsibility of monitoring and ensuring the exactitude of the discussion.

[Hon. Mr. Williams.]

Section 5 of the constitution says in part:

> The third party is to listen only to the discussion of the first and second parties and if an error is made or the proceeding is irregular they are to call attention to it, and when the case is right and properly decided by the two parties they shall confirm the decision of the two parties and refer the case to the Seneca Lords for their decision. When the Seneca Lords have decided in accordance with the Mohawk Lords, the case or question shall be referred to the Cayuga and Oneida Lords on the opposite side of the house.

Section 55 provides for dissolution as follows:

> Every five years the Five Nations Confederate Lords and the people shall assemble and shall ask one another if their minds are still in the same spirit of unity for the Great Binding Law and if any of the Five Nations shall not pledge continuance and steadfastness to the pledge of unity then the Great Binding Law shall dissolve.

• (2100)

An interesting provision in Section 75 resembles that of the accepted international right of asylum:

> When a member of an alien nation comes to the territory of the Five Nations and seeks refuge and permanent residence, the Lords of the Nation to which he comes shall extend hospitality and make him a member of the nation. Then shall he be accorded equal rights and privileges in all matters except as after mentioned.

Interestingly, a process of referendum for gravely important matters was also provided for by the constitution. Section 93 states:

> Whenever a specially important matter or a great emergency is presented before the Confederate Council and the nature of the matter affects the entire body of Five Nations, threatening their utter ruin, then the Lords of the Confederacy must submit the matter to the decision of their people and the decision of the people shall affect the decision of the Confederate Council. This decision shall be a confirmation of the voice of the people.

Honourable senators, I have referred to only small portions of the 117 sections of the great law established by a primitive people. I ask you: Did isolation defeat the Six Nations way of life? I believe so. If there had been no discovery of this continent by the Europeans, this wonderful form of government may have extended to the entire continent just as the Inca and Aztec civilization was moving northward. Unfortunately, the Spanish conquistadors destroyed that civilization just as the newcomers divided the Six Nations, introduced firearms, and nipped that wonderful effort of a primitive people in its bud, so to speak.

This is the glorious past of the Six Nations, honourable senators. They are still living in isolation, more so than the other nationals of this great Canada. I want to see extension of this just society, this affluent society, to the Indian people. Canada is resource rich and can well afford a fixed income for the adult Indian as he has no future, jobwise or otherwise. He is isolated, and robbed of his pride, his self respect, his heritage, and his freedom to

roam and hunt for the well-being of his family or his people. The young Indian of today and the coming generations will compete on equal footing for his livelihood now that he is being educated and trained, and learning the ways of this just society. I am very sure of this. Many of my people will not agree with me on this statement, but I repeat that I am very sure this is the way it is going to be in the future.

I left my own reservation in 1944. We have five children. They went to schools in the municipality where we lived, Richmond, British Columbia, and they are all doing well today in their chosen lines of endeavour. I must remind you that it is not easy for Indians to win competitive jobs or employment. They are usually told, "Don't call us, we'll call you", and that is the end of that application. That is isolation in its worst form, tinged with discrimination. When they give their racial origin as Indian, that is it!

I say to you, honourable senators—and this is from my own experience and observation—-give an Indian the same tools, the same training, equal opportunity without segregation, and he will prove himself capable and efficient. This is exactly what the Armed Forces of Canada did in World War II. The Indian was a good soldier. If he is given opportunities similar to those that the army gave him, he will be a great asset to this just society and Canada.

Today he is suffering in poverty. He lives in below standard housing, sometimes lined with cardboard. He is generally in poor health, suffering from malnutrition and many other ailments possibly caused by his poor environment. In spite of his difficulties to adjust to this society, this new way of life with its many restrictions, he is now emerging into your society. Possibly up to one-fifth of the Indians in British Columbia, 47,000 of them, have moved off their reserves to seek employment, and to enjoy to its fullest extent the benefits of this society.

• (2110)

The generation gap is there—a difficult problem—and parents are not making any headway in closing that gap. With marijuana smoking, use of LSD, and glue-sniffing in most of the schools throughout the country, these practices are now found in the reservations and pose a very serious problem for the Indian parents and councils. Of course, the Indian people suffer just as much as other citizens of Canada in the matter of alcoholism.

A bigger, and possibly the biggest, problem is the fact that 40 per cent of the inmate population of the penal institutions are Indians. All I can ask is: Why? Perhaps I should say here that I am very happy to be a member of the Standing Senate Committee on Legal and Constitutional Affairs, which has undertaken a study of the parole system.

Honourable senators, I shall speak now on a better situation, that of the Indian fisherman of British Columbia. I have reason to believe his future will be good. Bear with me while I traverse the 100 years of that industry in British Columbia. When the fishing industry was first established in that province the Indian was the only fisherman, perhaps a happy isolation. I was glad to hear in the Speech from the Throne that there will be consideration given to a provision resulting in more take-home pay for fishermen.

I fished most of my life. I know something about salmon and herring fishing. In addition, for a number of years I have been a member of the Advisory Committee to the Department of Fisheries under its minister in negotiating fishing treaties with other countries, namely, the United States and Japan. We have no treaty with Japan at the present time but that country still adheres to and respects the area of abstention on the ocean in not coming east of the 175th meridian of west longitude. This is an area of intermingling of Canadian and Asiatic stocks of salmon. I also had the privilege of sitting in on the negotiations with Russia in 1971.

For many years the Indian fishermen enjoyed isolation, security, and plenty of salmon to harvest. Then came an end to the rowboat and sailboat era. Powered fishing boats gave fishermen greater mobility. Improved equipment was introduced from time to time, such as mechanized net pullers, and today they have electronic equipment such as radar, depth sounders, ship-to-ship and ship-to-shore radio communications, electronic fish finders, and many other navigational aids.

But the Indian fisherman did not participate in these changes. He was crowded out. He was left behind in the way of government assistance in the form of subsidies and legislation making possible bank loans for maintenance and other needs. It must be remembered that the old Indian Act, revised in 1952 after nearly 80 years without a revision, placed the Indian in a position of being a ward of the government. He did not qualify for loans to improve his equipment as did other nationals in the industry. This situation has forced him to carry on his fishing efforts with obsolete equipment. Sometimes his boat is not seaworthy.

He has survived nearly 100 years as a fisherman on that coast. Today the government is helping with a program known as the Indian Fishermen's Assistance Program, to the amount of $4.6 million. This five-year plan is now in its fourth year. I say this is not good enough. A ten-year program and an increase of $7.5 million, making a total of $12 million, is needed. With this limited help, in the short period of four years, the government fishery statistics show that the number of Indian fishermen is above average. There are 2,300 of them, out of a total of over 7,000 fishermen.

Honourable senators, I turn now to other serious matters concerning the Indian people, not only in British Columbia but in all the provinces and territories. I refer to justice and police action. Fred Quilt, an Indian, died from the effects of beating and brutality. According to the statement of the victim's wife and son, he was dragged from his small truck on the highway by an RCMP constable who jumped up and down on his stomach. The man, who died a few days later, was not resisting arrest. Apparently he was drunk. The medical finding was peritonitis, rupture of the small intestine. The autopsy was carried out by a Chinese Canadian doctor, who stated that the rupture was caused by a sharp blow or kick. The verdict at the inquest was accidental death.

• (2120)

Indians in British Columbia are today demonstrating and protesting. They are angry, and rightly so. They say that the police were responsible for the incident and

should be charged. They say, "We are Canadians; give us justice, not discrimination."

Three or four years ago in Quesnel, a town not far from where the preceding incident occurred, a young Indian woman joined three young white people in a beer parlour. Later that evening she left the beer parlour in their company, was stripped naked and attacked. Her dead body was found on a garbage dump in the town. The sentence imposed on one member of the group was very light, and the other two received fines.

Those are examples of the problems facing Indian people in this great country of Canada, in this so-called just society.

Honourable senators, I shall later give notice in the proper manner that I will introduce a motion asking this chamber to set up a special committee to inquire into and report on the circumstances surrounding these particular incidents, and similar incidents of injustice which have occurred throughout the country. I am confident that the members of this house, with their well-known interest in justice, will demand a full and impartial inquiry into these tragic events. I regard it as my solemn duty to bring these matters to your attention.

I do not propose to end my speech in the traditional manner, but will adopt the form of conclusion used by my own people and say: Honourable senators, I have spoken.

On motion of Hon. Mr. Haig, debate adjourned.

The Hon. the Speaker left the Chair.

Hon. John J. Connolly in the Chair.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FOURTEENTH MEETING—DEBATE ADJOURNED

Leave having been given to revert to Inquiries:

Hon. Jean-Paul Deschatelets rose pursuant to notice:

That he will call the attention of the Senate to the Fourteenth Meeting of the Canada-United States Interparliamentary Group held at Ottawa and Montebello, 16th to 20th February, 1972.

He said: Honourable senators, we have followed with great interest the speech of my colleague, the honourable Senator Williams, who preceded me.

I shall be brief in my remarks for three reasons. First, I like you; secondly, I did not participate in the discussion at the Canada-United States meeting; and thirdly, at the conclusion of my remarks I shall request that the report of the meeting which will provide honourable senators with the composition of the delegations, the program, and a general outline of the different topics discussed, be printed as an appendix to *Hansard*.

This was the Fourteenth Meeting of the Canada-United States Interparliamentary Group. Honourable senators will recall that it was scheduled to take place a few months ago. However, it was delayed at the request of our American friends because of pressure of business before both houses of the American Congress.

The delay was accepted with regret, it being recognized that a similar situation could affect the Canadian delegates at a future conference.

[Hon. Mr. Williams.]

The meeting was held in Ottawa and Montebello from February 16 to 20. I acted as co-chairman, with my colleague the Honourable Mr. Lamoureux, Speaker of the House of Commons. I should like to make a few observations on this important meeting, and I understand that my fellow delegates in this chamber who attended the meeting will make their own observations.

The Canadian delegation from the Senate comprised, in alphabetical order, the honourable Senators Beaubien, Connolly (Ottawa West), Everett, Hayden, Macnaughton, O'Leary and myself. For discussion purposes, the conference was divided into two committees. One dealt with trade and economic affairs. I had the honour to preside as co-chairman over this committee with my American colleague, the honourable Senator Church from Idaho, and, later on, the honourable Senator Hollings from South Carolina.

• (2130)

The second committee dealt with defence and security matters. I believe we had only one representative on this committee but a very distinguished one in the person of the honourable Senator O'Leary. This committee was chaired by the Speaker of the other place, the Honourable Lucien Lamoureux, and Congressman Gallagher from New Jersey.

As has been the practice over the years, a joint communiqué from the four co-chairmen was issued to the press. There is also a report which embraces the whole aspect of the conference and this is the report which, at the end of my remarks, I intend to request be printed as an appendix to *Hansard*. This will be the Canadian report; there will be an American report prepared by the two American co-chairmen. These reports do not refer to any specifics, of course, as these meetings are held in camera. I feel that the report is an important document, and I hope all honourable senators will take the opportunity to read it. The primary purpose of the Canada-United States meetings is to promote better understanding between delegates of both countries with respect to mutual problems, and they at least make aware the general thinking of parliamentarians with respect to such problems.

The meeting scheduled for last May having been postponed, the arrangements for the latest meeting resulted in less travelling and fewer social events, so that we had more time for serious discussion.

I should like to take this opportunity to thank those colleagues of mine in the Senate who took a very active part in these discussions. I should also like to thank my distinguished colleague from the other place, the Honourable Lucien Lamoureux, for his immense contribution to the success of this meeting. Also deserving of my thanks at this time, of course, are the two American co-chairmen, Senator Church and Congressman Gallagher, both of whom co-operated with us in every respect. I should also put on record at this time, on behalf of all delegates, our appreciation of and thanks to Mr. Ian Imrie and his staff, and Mrs. J. Renton, Colonel A. Fortier, and Mr. Marcel Nadeau of the Senate staff, for their excellent organizational assistance.

Before concluding I should like to outline what I feel are four important precedents which, in my view, will give a

new dimension to this interparliamentary group. As I have said, these are in camera meetings and for many years only delegates attended them. There may have been a few exceptions, and if so Senator O'Leary will correct me. At a meeting in Washington two years ago, at which I was leader of the Canadian delegation, we were discussing technical problems with respect to energy. As might be expected, we did not have all the answers. Consequently, we agreed to invite an expert from the American government to sit with us in an advisory capacity. I believe that was the first time such action was taken. In any event, I feel it would be useful in circumstances where we are dealing with technical problems to have on hand an expert who could give us some guidance. Perhaps some of my colleagues will disagree with me on that point.

In my view another precedent was set when a special meeting of the Canada-United States Interparliamentary Group was held November 11, 1971. This meeting was held at the request of the Canadian delegation to discuss the 10 per cent surcharge on imports that had been imposed by the Government of the United States. The practice has been to hold meetings each year alternately in Canada and in the United States, but as a result of the November 11 meeting it was agreed that if at any time one group wished urgently to discuss any problem of mutual importance, it should approach the other group regarding the possibility of holding a special meeting. This agreement forms part of the report that I will ask to have placed in *Hansard*.

• (2140)

There is one thing that took place at the last conference here that I should like to outline. As you know, there were discussions in two different committees in Ottawa, and on the Saturday there were discussions in Montebello. We all agreed, I believe, that one of the most important issues was that of trade between Canada and the United States, but there were, of course, other important matters discussed such as those concerning defence and external policies. Defence was one problem that everyone felt should be discussed in depth.

It was suggested, for the first time, that we could have a plenary session of both committees with the Minister of Industry, Trade and Commerce. This took place in the Railway Committee Room. I attended most of the meeting, which I think went on for a little more than an hour. In my view, the importance of this is that the American delegates, representatives of both houses, had more information from the Minister of Industry, Trade and Commerce on Canadian problems and the Canadian perspective than they ever had before. This is a precedent that I hope can be repeated when there is a trip to Washington another year.

In the light of this it can be said that this Interparliamentary Group is not only more alive than ever, but that its basic concept or charter has been enlarged to permit more meetings than the earlier conference originally planned. These changes will, I think, permit a much better understanding than before. It can be said, therefore, that this latest meeting of the Canada-United States Interparliamentary Group was—this is my view, at least—one of the most successful. However, I must confess that I have attended only three or four. This interparliamentary group is now, I think, unique among our parliamentary associations.

When our American friends left Ottawa at the end of the meeting we were all conscious of the fact that, even if we had not settled one specific problem—and there are important problems between Americans and Canadians today, and there will be more tomorrow and after tomorrow—at least we had had the great satisfaction of being a group representing all parties in both countries, who had found a very effective mechanism for a better understanding and a lasting friendship between our two countries.

These are the only observations I wish to make at this time. I know that my colleagues who follow me in this debate will have much more to say, because they took part in the discussions. Even though the discussions were held in camera, it is possible, I think, for my colleagues to at least express their views on the topics discussed.

Having said that, may I ask that the Report of the Fourteenth Annual Meeting of the Canada-United States Interparliamentary Group, which is signed by Speaker Lamoureux and myself, be printed as an appendix to the *Debates of the Senate* of this day.

Hon. Senators: Agreed.

[*For text of Appendix see pp. 47-51*]

Hon. Alan Macnaughton: Honourable senators, you will be glad to hear that my remarks this evening will be brief, instead of the usual torrent of words, perhaps leading nowhere.

I listened with great interest to the remarks of His Honour the Speaker, who led our delegation in a very distinguished way. I have for many years been a member of this interparliamentary group. I must say there has been a certain amount of continuity of membership, which I think is important on any committee. Furthermore, it helps one make many personal friendships which in time of need prove valuable indeed. I have in the past spoken several times on this subject, and I will not delay you for long this evening. However, I do wish to illustrate the importance of this group.

On the delegation there were two new faces, namely, the honourable Senator John J. Connolly and the honourable Senator Douglas Everett, who brought their experience and knowledge, and proved most welcome additions, and in their own ways made very special contributions. The honourable Senator Salter Hayden, of course, will speak in this debate. He was one of our leaders on trade matters. The honourable Senator Louis Beaubien brought his practical experience to apply to trade matters. As for the honourable Senator Grattan O'Leary, who is in effect one of the patron saints of this organization, he brought light and levity, along with a great deal of wisdom, when we celebrated his birthday twice in one day.

• (2150)

Honourable senators, there are two organizations to which I should like to call your attention. The first is the Inter-Parliamentary Relations Branch, which works for both Houses of Parliament. It was set up for that purpose and I think it has proved its worth during the years. We owe a debt of gratitude for the organization of this confer-

ence to its chief, Mr. Ian Imrie, and Miss Jean Macpherson.

The second group to which we should pay tribute is the Parliamentary Centre, who were responsible for organizing the brief, and preparing us for discussions with our American confrères. I must say that for the excellent briefing we received our thanks are more than due to the many capable people, drawn from the different departments of government, who came and spoke to us. This briefing—which was extensive and very good in my case, and I am sure that applies to other senators—broadened our understanding on many of the problems of the present time that prove difficult to solve so far as our country is concerned.

Two years ago in Washington, energy seemed to be the big problem before this interparliamentary group. The Assistant Under-Secretary of State for energy problems, Mr. Philip Trezyse, appeared and explained his point of view. This, as His Honour the Speaker has said, did create a precedent because it was the first time that a non-parliamentary person appeared before this group.

Honourable senators, you will recall that in August 1971, when President Nixon imposed the 10 per cent surcharge and introduced the DISC program, we were faced with considerable difficulties. Following that introduction, a special ad hoc meeting was held in Washington on November 11, at the request of the Canadians. At that meeting the Americans received us graciously, as usual. We had the opportunity of bringing to their attention the reasons why we thought the 10 per cent surcharge and the DISC program should not apply to this country. I should note, in passing, that the Americans also have their problems in the matter of balance of payments and the need for energy resources.

To my way of thinking, communication is the name of the game. For example, the Honourable Jean-Luc Pepin, Minister of Industry, Trade and Commerce, spoke to the joint group for over one hour in the Railway Committee Room on Canada's position on the trade negotiations which, up to the moment, have not been concluded. He spoke directly to the American delegates in plain terms. He explained the Canadian attitude, and made a decided impression on them. They found that he was not just a functionary, that he knew whereof he was speaking. I think he convinced a great many of them. In any event, this was a direct approach, and is one more step in the recognition of the general principle that when things get rough our interparliamentary group is there for special as well as annual meetings.

As honourable senators know, it was during January 1959 that the present Governor General, the Right Honourable Roland Michener, and Senator Aiken of Vermont started the Canada-United States Interparliamentary Group. During thirteen years the group has shown great ability in adapting itself to the changing requirements on both sides of the border. Therefore, my conclusion is that the Canada-United States group offers an important means of direct communication between members of the Canadian Parliament and members of the United States Congress—an advantage few other countries, if any, enjoy. The group can be convened quickly and used for dealing with special problems on either side of the border.

Is it not better to be on good terms with our cousins and neighbours to the south, than to worry about events in outer Mongolia? The Canada-United States Interparliamentary Group has proved its worth. Long may it flourish.

Hon. Mr. Martin: Honourable senators, may I ask Senator Macnaughton a question? He said that at the last meeting in Ottawa, the Minister of Industry, Trade and Commerce spoke to the delegates. At the meeting in November, did any member of the American government appear before the committee, or has it been a practice at any other meeting for members of either government to appear?

Hon. Mr. Macnaughton: No, this is something entirely new. At the November meeting I do not remember any outside member of the Government of the United States appearing before our committee, nor do I remember any member of the American civil service appearing. We had but one day in Washington and it was completely utilized by the delegates, both American and Canadian. I felt that the fact that Mr. Pepin came was unique. It was a precedent. I do not say it should be followed on every occasion, but when there are such emergencies what better can you do than have such a person as the Minister of Industry, Trade and Commerce speak with authority and knowledge on a subject he knows so well, and with his persuasive qualities really impressing our American friends?

On motion of Hon. Mr. Choquette, for Hon. Mr. Beaubien, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 45.*)

REPORT OF THE FOURTEENTH ANNUAL MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

A number of special circumstances have surrounded the holding of the Fourteenth Meeting of the Canada-United States Interparliamentary Group, in Ottawa and Montebello, from February 16th to 20th, 1972.

First, it is remembered that the Fourteenth Meeting had originally been scheduled to take place in May, 1971, but had to be postponed at the last minute when it became clear that a sudden surge in important legislative business would prevent the delegates from the United States Congress from leaving Washington.

As it turned out, 1971 did not elapse without members from both sides of the Group coming together for discussions. The opportunity arose from last summer's international monetary crisis and from the steps taken immediately by the United States Government to remedy this crisis and to restore the United States serious balance of payment situation to a healthier and more stable position. The increasingly grave impact which these steps were having on the Canadian economy prompted the Canadian Co-Chairmen of the Group, the Speakers of the Senate and of the House of Commons, to request from the United States Co-Chairmen, Senator Frank Church and Congressman Cornelius Gallagher, a special meeting of the Group to consider these urgent matters. The United States Co-Chairmen agreed without hesitation and offered to host such a meeting in Washington. A Canadian parliamentary delegation led by the Speaker of the House of Commons, then left for the United States Capital for the one-day meeting which was held on November 11th, 1971. This precedent in the Group's history was looked upon favourably by all delegates at the 1972 meeting. It was agreed that if at any time one side wishes urgently to discuss any problem of mutual importance, it should approach the other side regarding the possibility of holding a special meeting. This decision will undoubtedly lead to increased use of the Canada-United States Interparliamentary Group as the only instrument of joint consultation that regularly brings together the lawmakers from both countries.

Although the opportunity was missed last year to host the United States delegates in a more gentle season, the February 1972 dates have proven very timely, falling as they did in the middle of a new important phase in the United States economic re-adjustments and in the current round of trade negotiations between the United States and Canada.

The Fourteenth Meeting also coincided for the first time with the opening of a new session of the Canadian Parliament. The United States delegates and their wives were invited to the Senate Gallery to listen to the Speech from the Throne read by His Excellency the Governor General, the Right Honourable Roland Michener.

Composition of Delegations

In addition to the two Co-Chairmen, Senator Frank Church (Idaho) and Congressman Cornelius E. Gallagher (New Jersey) and Senator George Aiken (Vermont), former United States Senate Co-Chairman, the United States delegation consisted of the following members: from the Senate, Honourable Ernest F. Hollings (South Carolina), Honourable William B. Spong, Jr. (Virginia), Honourable John Sherman Cooper (Kentucky), Honourable Marlow W. Cook (Kentucky), Honourable Ted Stevens (Alaska), Honourable Robert T. Stafford (Vermont); and from the House of Representatives, Honourable Harold T. Johnson (California), Honourable William J. Randall (Missouri), Honourable Peter N. Kyros (Maine), Honourable Samuel S. Stratton (New York), Honourable Lloyd Meeds (Washington), Honourable Claude Pepper (Florida), Honourable J. J. Pickle (Texas), Honourable James Harvey (Michigan), Honourable Robert C. McEwen (New York), Honourable F. Bradford Morse (Massachusetts), Honourable Henry P. Smith III (New York) and Honourable Frank Horton (New York).

The Canadian delegation was led jointly by the Honourable Jean-Paul Deschatelets, P.C., Speaker of the Senate and the Honourable Lucien Lamoureux, Q.C., M.P., Speaker of the House of Commons. The other members were: from the Senate, Honourable John J. Connolly, P.C., (Ontario), Honourable Douglas Everett (Manitoba), Honourable Salter Hayden (Ontario), Honourable Alan A. Macnaughton, P.C., (Quebec), Honourable L. Beaubien (Quebec), Honourable M. Grattan O'Leary (Ontario), and from the House of Commons, Messrs. H. Breau (New Brunswick), L. Francis (Ontario), Russell Honey (Ontario), R. Kaplan (Ontario), Fernand Leblanc (Quebec), J. Pringle (British Columbia), H. Stafford (Ontario), J. Trudel (Quebec), G. Baldwin (Alberta), W. Carter (Newfoundland), H. Danforth (Ontario), R.G.L. Fairweather (New Brunswick), J.P. Nowlan (Nova Scotia), P. Yewchuk (Alberta), A. Brewin (Ontario), J. Burton (Saskatchewan) and Oza Tétrault (Quebec).

Agenda

The Agenda for the discussions was worked out by agreement between the four Co-Chairmen. The following topics were chosen for discussion for each Committee.

Trade and Economic Matters

1. World trade in the 1970's. (export subsidies, non-tariff barriers, regionalization)
2. Problems of conservation in the Maritime environment
3. Trans-boundary pollution
4. Energy relationships
5. Foreign ownership and the multinational corporation
6. The effect of Technology on democratic institutions and human values.

Defence and Security Matters

1. The place of developing countries in world political and economic order
2. European security problems
3. Relations with Communist China
4. Relations with India, Pakistan and Bangla Desh
5. Political implications of E.E.C. enlargement

Briefing sessions on the Agenda topics were organized for the Canadian delegates by the Inter-Parliamentary

Relations Branch in co-operation with the Parliamentary Centre for Foreign Affairs and Foreign Trade, over the two weeks preceding the meeting. The delegates had sessions with officials from the Departments of External Affairs; Finance; Energy, Mines and Resources; Industry, Trade and Commerce; and the Environment; as well as from the Working Group on Foreign Investments and the Canadian International Development Agency.

Proceedings

The Fourteenth Meeting was formally opened by the four Co-Chairmen in the Railway Committee Room of the Parliament Buildings on Thursday, February 17th, at 9.45 a.m. The Right Honourable the Prime Minister and Mrs. Pierre Elliott Trudeau came in immediately following the opening plenary session to meet and chat with the United States delegates and their wives.

The proceedings were then adjourned to Friday, February 18, when both Committees met all day in the Parliament Buildings at Ottawa. They concluded their business on Saturday morning, February 19, at Montebello, Quebec.

The Committee on Trade and Economic matters met under the joint chairmanship of Senator Church and Speaker Deschatelets. Representing the United States Congress were Senators Hollings and Stevens, and Representatives Johnson, Kyros, Meeds, Pickle, Harvey, McEwen and Horton. Representing Canada were Senators Beaubien, Connolly, Everett, Hayden and Macnaughton, and from the House of Commons, Messrs. Breau, Burton, Danforth, Fairweather, Francis, Kaplan, Leblanc, Pringle and Trudel.

Report of Committee I: Trade and Economic Matters

"Discussion focussed on two major themes: economic relations between Canada and the United States, and mutual problems and challenges in the field of pollution control and abatement.

"On the first theme, discussion naturally centered initially on recent inconclusive trade negotiations between the two countries. On the Canadian side delegates stressed the importance of adopting a longer perspective, of not giving undue importance to trade figures for only the last two years and the need to take account of the total balance of payment picture. United States delegates placed their main emphasis on the urgent need for the United States Government to take immediate action to overcome the present excessive balance of payments deficit. Delegates on both sides appreciated the opportunity to have a report from the Honourable Jean-Luc Pepin on recent trade talks between Canada and the United States and to question him about future perspectives.

"There was a broad discussion of the energy relationship. United States delegates noted the growing shortage of energy sources in the continental United States, while Canadian representatives observed that under any conceivable Canadian policy existing reserves in Canada would not permit the export to the United States of oil and natural gas in sufficient quantities substantially to satisfy United States future needs.

"In connection with the question of the possible shipment of oil from Alaska, United States representatives described recent United States legislation establishing shipping safety standards, the special design features being built into the tankers for this route, and the possibility of developing satellite computerized shipping controls analogous to modern airline guidance systems. It was agreed that in situations of this kind, it was essential that the two governments should consult closely and take account of the effect of any proposed actions by one country on the other.

"The foreign ownership question was also briefly considered. Canadian representatives gave their several opinions on the subject. United States delegates expressed the hope that Canadian legislation would not have a discriminatory character which would cause resentment in the United States and affirmed that they respected absolutely the right of the Canadian Government to take any decisions which they wished to affecting the terms and conditions for investment by non-residents in Canada.

"In the course of discussion on pollution control and abatement problems, there was general agreement that the 'in-house' staff of the respective sections of the International Joint Commission should be strengthened. There was also some support for a proposal that a joint regional office of the International Joint Commission should be established with its own staff and with power to report directly to the two governments regarding the effectiveness of pollution abatement programs in the lower Great Lakes."

The Committee on Defence and Security Matters was co-chaired by Representative . Gallagher and Speaker Lamoureux. Senators Aiken, Cooper, Cook and Stafford, and Representatives Randall, Stratton, Pepper, Morse and Smith were representing the United States Congress. Sitting on the Canadian side were Senator O'Leary, and from the House of Commons, Messrs. Baldwin, Brewin, Carter, Honey, Nowlan, Stafford, Tétrault and Yewchuk.

Report of Committee II: Defence and Security Matters

"After a brief description of the main features of the Canadian aid program (approximately half a billion dollars for the fiscal year 1972-73 exclusive of any military aid), the Canadian delegation expressed concern over the widening gap between rich and poor countries, and stressed that no durable peace could be expected as long as this gap persists.

"The Canadian delegation also expressed the view that aid could be made more effective by a shift to more labour-intensive projects and by relating the overall terms and amount of aid to the development of balanced trade between all nations.

"The Canadians also saw as important a decrease in the ratio of military to economic aid.

"Both delegations recognized the increasing interest in multi-lateral aid among recipient countries, although it was suggested by some members of the United States delegation that this form of development assistance should be considered more as a type of international banking transaction.

"The United States delegation also noted that the Congress has taken a first effective step towards separating military and economic assistance by authorizing the first for one year and the second for two years.

"The United States delegation informed its Canadian colleagues that considerable disillusionment has manifested itself in both Houses of Congress with regard to aid as a means of winning friends, although

it was clear that such aid had generally proven successful so far as a means of achieving relative peace and stability, if not friendship, and that it was likely to continue getting adequate support on these as well as on humanitarian grounds.

"Both delegations agreed that bilateral aid does not always yield its intended economic results because of the extreme difficulty on the part of the donor country on retaining an adequate measure of guidance or control over the implementation of economic assistance programs. As an example of this, a member of the United States delegation cited the Alliance for Progress where lack of control has led to waste and where attempts to keep a guiding hand in development resulted in political resentment.

"Both sides agreed with the view of a member of the United States delegation that the political, social and cultural dimensions of development are as important as its economic dimensions, and that a prerequisite of effective aid is a proper understanding of existing social, cultural and political infrastructures in recipient countries—an example of this being the rejection by the World Bank under purely western economic criteria of the Tanzania-Zambia railway project, and its subsequent takeover by the People's Republic of China in the light of largely local, social and political factors.

"On the matter of European security, both sides agreed that the basic principle behind NATO was to foster a climate enabling détente to take place; that Canada's small physical participation was nevertheless one of the main psychological buttresses of the Organization; and that any Canadian trend toward disengagement would be likely to spark similar demands in the United States, thereby seriously threatening the Organization's potential.

"It was noted however, by both delegations, that as Europe grows closer and stronger and stands out more and more by itself as a force for the preservation of freedom, this tends gradually to relieve the Organization's non-European members of part of their share of the collective defence burden.

"The political implications of the enlargement of the European Economic Community were also discussed. A majority of delegates from both sides felt that Britain's entry was now a foregone conclusion in spite of the recent tight vote at Westminster on the principle of entry. One Canadian delegate cautioned, however, that a clause by clause study in the British House of Commons might result in rejection of some of the terms of entry. In any event, it was thought by both sides that the United States and Canada should start considering what trade re-alignments, particularly in the Western hemisphere, might be called for as a result of Britain's entry in the EEC. This might take the form of similar "common market" arrangements within North America, or between all the Americas, accompanied by a development of their trade potential with Pacific rim markets.

"In this connection, the Canadian delegation observed that while such solutions obviously merited some attention, their possible political implications were likely to cause certain alarm among Canadian public opinion, and that the present climate suggested that this matter be approached with the utmost caution and discretion.

"On the subject of relations with Communist China, a Canadian delegate pointed out that trade relations had preceded recognition of Communist China by some years. On the other hand, he noted that in the case of France and Great Britain recognition had not resulted in any increase in trade between Communist China and those countries. As another example, he noted that the Soviet Union had had close relations with Communist China and had extended that country large amounts of economic aid. Ideological difficulties had brought a setback in its trade with Communist China. These varied patterns point out the fact that the Communist Chinese are very pragmatic in their external relations. He concluded his remarks by sketching the general character of Canadian credit arrangements with Communist China.

"This expression of views led United States delegates to wonder if the Communist Chinese would ask for credit and whether the granting of such credit would result in causing new trading concerns to Canada.

"One of the Canadian delegates then enumerated the real and potential benefits that Canada enjoyed with Communist China in addition to trade. Specifically, he mentioned tourism, scientific exchange and the expansion of trade in such items as machinery and pulp and small motors. He also pointed out that the consumer market in China was exceedingly small and that that country encouraged self-reliance of its people.

"A United States delegate raised the question of what recognition of Communist China would do to U.S. relations in the Pacific area, notably Korea, Taiwan and Japan. He regarded consideration of this situation as basic to any alterations in U.S. relations with Communist China.

"On the question of India, Pakistan and Bangla Desh, a Canadian delegate opened the discussion by sketching briefly the situation between East and West Pakistan and, as a result of a recent visit to that area, noted the extent of the humanitarian problem which has arisen from the conflict between the two wings of Pakistan. The problems that still remain for Bangla Desh are those of diplomatic relations, entrance into the United Nations and other international agencies and, finally, the refugee problem.

"The United States delegation agreed that the problems enumerated are basic by pointing out that in the case of the United States there was some disillusionment arising from the inability of the United Nations to move more effectively in resolving the conflict between East and West Pakistan. Some United States delegates also commented that this is only the most recent divisive problem in the Asian sub-continent and that there are possibilities of further political re-arrangements as a result of the instability in that area. By way of illustration, it was pointed out that the West Bengalese may be attracted to Bangla Desh. In short, what we are envisaging here is perhaps the beginning of long-term alterations in South Asia."

Program

The United States delegation was greeted at the plane, at Canadian Forces Base Uplands, at 6.30 P.M. on Wednesday, February 16, 1972, by Mr. Speaker and Mrs. Jean-Paul Deschatelets and Mr. Speaker and Mrs. Lucien Lamoureux. The party then proceeded to the Officers Mess at the Base, where the Canadian delegates entertained their United States colleagues prior to accompanying them to the Chateau Laurier Hotel.

Upon arrival at the hotel, all delegates and wives met at an informal buffet dinner held in the Chateau Laurier Drawing Room.

The following day, after attending the official opening of the Fourteenth Meeting and the Opening of the Fourth Session of the 28th Parliament, the United States delegates and their wives were the honoured guests at a luncheon given by Speaker Deschatelets and Speaker Lamoureux in the Confederation Room, West Block, Parliament Buildings.

From the West Block, the United States delegation proceeded to Government House where, following a brief tour of the Public Rooms, they were received by Their Excellencies, the Governor General and Mrs. Michener. In the evening, the Canadian Co-Chairmen again entertained at a reception and dinner in honour of the United States delegation at the Rideau Club.

On Friday morning, both Committees adjourned shortly before eleven to allow the United States delegates to view the Speaker's Parade and then proceed to the Speaker's Gallery in the House of Commons, for formal recognition from the Chair and Question Period.

"The House met at 11 a.m. Friday, February 18, 1972.

HOUSE OF COMMONS
PRESENCE IN SPEAKER'S AND SENATE GALLERIES OF CERTAIN MEMBERS OF UNITED STATES CONGRESS

"Mr. Speaker: It gives me much pleasure to bring to the attention of honourable members the presence in the Speaker's gallery and in the Senate gallery of a delegation of very distinguished and senior parliamentarians from the United States Congress representing both the Senate and the House of Representatives.

"The delegation, led by Senator Frank Church and Congressman Neil Gallagher, is in Ottawa to attend the fourteenth annual meeting of the Canada-U.S. Interparliamentary Group. I know it is the sense of this House that over the years this group, this association, has made a valuable and indeed a positive and significant contribution to the maintenance of cordial relations between our two peoples, between our governments and between our countries, based upon good will, mutual understanding and friendship.

"On behalf of all honourable members I extend to our distinguished visitors and friends a most hearty welcome and express the hope that their stay in Canada will be interesting, enjoyable and fruitful.

"Some honourable Members: Hear, hear!"

Following this visit to the House and a short tour of the Parliamentary Library, separate lunches were held by Mr. Speaker Deschatelets and Mr. Speaker Lamoureux, in their respective Chambers, the first for the United States Senate delegates, the other for the United States House of Representatives delegates.

Ladies Program

While their husbands were busy conducting business on Friday, the wives of the delegates proceeded to the National Gallery of Canada to see the Gallery's newly acquired collection of 18th and 19th Century religious articles from Quebec, and to attend an hour-long showing of films by the National Film Board of Canada in the National Gallery auditorium.

A scenic drive along the Ottawa parkway system followed, ending at the Green Valley Restaurant where Madame Jean-Paul Deschatelets and Madame Lucien Lamoureux entertained at a luncheon in honour of the visiting wives.

Immediately after lunch, the ladies had a few moments in the Green Valley Gift Shop before boarding their bus for Montebello, Quebec, where they were joined by their husbands at the conclusion of the afternoon Committee meetings.

Montebello

On Friday evening, both delegations were entertained at a reception, at the Château Montebello, by His Excellency, the Honourable Adolph Schmidt, United States Ambassador to Canada.

While the last Committee meetings were in progress on Saturday morning, the ladies had an opportunity to visit the Louis-Joseph Papineau Manor House on the grounds of the Château Montebello, after which they joined their husbands at a lunch given by the Canadian delegation in honour of the United States delegation at the hotel.

Both Saturday afternoon and Sunday morning were free, with all participants taking full advantage of the various recreational activities that were offered: sleigh-rides, snow-mobiling, skiing, skating, tobogganning, swimming or watching the Curling Bonspiel which was taking place at the Château Montebello that weekend.

A raging blizzard on Saturday prevented a Toronto light-rock and folk singing group, the Stampeders, from reaching the Château Montebello, where they were to provide post-dinner entertainment at the buffet dinner held that evening in the hotel ballroom in honour of the United States delegation. A dance and dinner music group from Ottawa did make it, however, and served the guests a wide variety of mood and dance selections well into the night. In the absence of the Stampeders, the evening's proceedings were interrupted at coffee time for a spirited two-hour round of curling on the Château Mon-

tebello's rinks, following which dancing resumed in the Ballroom.

Saturday's storm also prevented a group of strolling troubadours from leaving Montreal Sunday morning to entertain at the farewell luncheon held that day in the hotel by the Canadian delegation, in honour of the departing U.S. delegates. The previous evening's dance group, which had conveniently been prevented from leaving Montebello by the same storm, was therefore held over to stand in for the stranded Montreal group.

Immediately after lunch both delegations boarded buses for the trip to Canadian Forces Base, Uplands, where the Canadian Co-Chairmen and delegates waved good-bye to their United States colleagues, as they departed for Washington, under a minus 40 degree chill factor.

Jean-Paul Deschatelets
Speaker of the Senate of Canada
Lucien Lamoureux,
Speaker of the House of Commons.

Monday, February 28, 1972.

THE SENATE

Wednesday, March 1, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

CONSTITUTION OF CANADA

APPOINTMENT OF SPECIAL JOINT COMMITTEE

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Resolved,—That a Special Joint Committee of the Senate and of the House of Commons be appointed to examine and report upon proposals, made public, or which are from time to time made public by the Government of Canada, on a number of subjects related to the Constitution of Canada during the course of the comprehensive review of the Constitution of Canada, which review was agreed upon at the Constitutional Conference of the Prime Minister of Canada and the Premiers and Prime Ministers of the Provinces in February, 1968, and alternative proposals on the same subjects;

That the committee have power to appoint, from among its members, such subcommittees as it may deem advisable or necessary;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the committee;

That the quorum of the committee be 17 members, whenever a vote, resolution or other decision is taken, so long as both houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 7 members are present so long as both houses are represented;

That the papers and evidence received and taken on the subject in the Second and Third Sessions be referred to the committee and made part of the records thereof;

That the following members be appointed to act on behalf of the House of Commons on the Special Joint Committee, namely: Messrs. Alexander, Allmand, Asselin, Breau, Brewin, De Bané, Dinsdale, Fairweather, Gibson, Gundlock, Hogarth, Lachance, Laprise, MacGuigan, Marceau, Marchand (Kamloops-Cariboo), McQuaid, Osler, Prud'homme and Rowland; and

That a message be sent to the Senate requesting their honours to unite with this house for the above purpose, and to select, if the Senate deems so advisable, some of its members to act on the proposed joint committee.

The Hon. the Speaker: Honourable senators, when shall this message be taken into consideration?

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 44(1)(d), moved:

That the Senate do unite with the House of Commons in the appointment of a Special Joint Committee of both houses to examine and report upon proposals, made public, or which are from time to time made public by the Government of Canada, on a number of subjects related to the Constitution of Canada during the course of the comprehensive review of the Constitution of Canada, which review was agreed upon at the Constitutional Conference of the Prime Minister of Canada and the Premiers and Prime Ministers of the Provinces in February, 1968, and alternative proposals on the same subjects;

That the committee have power to appoint, from among its members, such subcommittees as it may deem advisable or necessary;

That the committee have power to sit during sittings and adjournments of the Senate;

That the committee have power from time to time, to send for persons, papers, and records, and to print such papers and evidence from day to day as may be ordered by the committee;

That the quorum of the committee be 17 members, whenever a vote, resolution or other decision is taken, so long as both houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 7 members are present so long as both houses are represented;

That the papers and evidence received and taken on the subject in the Second and Third Sessions of the 28th Parliament be referred to the committee and made part of the records thereof;

That the following senators be appointed to act on behalf of the Senate on the Special Joint Committee, namely, the honourable Senators Cameron, Fergusson, Flynn, Forsey, Haig, Lafond, Lamontagne, Molgat, Quart, Yuzyk; and

That a message be sent to the House of Commons to inform that house accordingly.

Motion agreed to.

BANKING, TRADE AND COMMERCE

WHITE PAPER ON TAXATION—REPORT OF COMMITTEE EXPENSES TABLED

Hon. John J. Connolly, on behalf of Hon. Mr. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, pursuant to Rule 84 (1), tabled a report of the special expenses of the committee incurred in connection with its examination of the White Paper entitled, "Proposals for Tax Reform".

1971 TAX REFORM LEGISLATION—REPORT OF COMMITTEE EXPENSES TABLED

Hon. Mr. Connolly, on behalf of Hon. Mr. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, pursuant to Rule 84 (3), tabled a report of the expenses incurred by the committee in connection with its examination of the Summary of 1971 Tax Reform Legislation during the Third Session of the Twenty-eighth Parliament.

NATIONAL FINANCE

REPORT OF COMMITTEE EXPENSES TABLED

Hon. Maurice Bourget, on behalf of Hon. Mr. Everett, Chairman of the Standing Committee on National Finance, pursuant to Rule 84 (1), tabled a report of special expenses incurred in connection with its examination of the question "Growth, Employment and Price Stability".

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. J. Campbell Haig: Honourable senators, I wish to congratulate the mover of this motion, Senator Sydney L. Buckwold, and the seconder, Senator Renaude Lapointe. I feel that they did an excellent job with an insufficient subject matter, and that is their privilege.

I will not discuss the entire Speech from the Throne, which the Leader of the Government did in a very efficient manner, but I should like to discuss a subject which has affected Canada during the last 12 to 18 months. I refer to the series of strikes—rotating strikes, slow-down strikes, and so-called study sessions—which have affected essential public services in this country. It must be clearly understood that my remarks apply only to essential services under federal jurisdiction, and I shall attempt to define those services later.

• (1410)

Before I proceed I want it to be strictly known that I am not a labour expert, as are some members of this chamber. The suggestions I offer are meant for the protection of the innocent public, who are not involved in and should not suffer from strikes, slow-downs, study sessions or obstructive tactics employed by union members of essential services. I should like also to indicate that my suggestions are premised on the fact that both sides to an agreement will bargain or negotiate in good faith. I will come to that later.

My suggestion would be to amend appropriate federal legislation to include as federal public servants the employees of certain essential services. A quick glance would include the RCMP, penitentiary guards, ship pilots, harbour masters, employees of airlines and supporting services, of rail systems and supporting services, and all telephone, telegraph, radio, television and postal employees.

When I mention time, either weeks or months, it is entirely flexible, but I would suggest that two months before the expiry of a contract each party would inform the other of whatever changes the union or the employer wanted. This would avoid what has happened in the air controllers strike. The union presented their plans to the Treasury Board, which did not make a counter offer. It was not made until the union president announced to the public what they were asking.

This discussion would continue during a time which I would term a talking period. Should a solution agreeable to both sides not be found, a conciliation officer would be appointed. I mention this talking period because in many contracts certain subjects are acceptable to both sides. This includes interpretation of contract terms or certain aspects which are not subject to strike. This conciliation officer would then attempt to negotiate a settlement between the two parties. If that failed, which I do not think would happen in many cases, a board of arbitration would be appointed, one member by the union and one by the employer which, in this case, is the federal government or its arm. The federal Minister of Labour would appoint a chairman if the two parties failed to appoint a neutral chairman. Discussion would then continue on major issues in dispute.

At that point, whether it is after two or three months or two or three weeks—time is not important in this case—binding arbitration would take effect. During the discussion period, from two months prior to expiration of the contract and during the period of conciliation and arbitration, no strike, slow-down, or rotating strikes would be held, and any award granted would be retroactive to the expiry date of the previous contract. If this procedure were followed, innocent people would not be faced with chaos or loss of revenue.

One might say that airlines are not essential. That might be true. We still have railroads, trucks, cars and buses. However, let us consider the supporting services. Forget for a moment the $1 million per day that Air Canada lost in the recent strike. But what about the suppliers of food and gasoline, airport taxi operators, and travel agents? A travel agency might have arranged a trip from, say, Winnipeg to London, England, via Montreal or some other point. Then the strike takes place and difficulty is encountered with each leg of the journey, and hotel accommodation is lost, and so on. When this happens the travel agents have to try to make alternative arrangements to the satisfaction of their customers. This creates many problems and often results in cancellations.

Furthermore, in Canada our mail goes by air. A letter posted in Ottawa on Monday reaches me at home in Winnipeg on Tuesday. During the air strike my mail was delayed one day and sometimes more. It is true that we can live with that kind of service, but why should one small group of union members—approximately 2,200 in the case of the air traffic controllers—be allowed to completely disrupt airline service?

A week later, after binding legislation saw the air traffic controllers back on the job, we were faced with a strike by a group of electrical workers. They have not stopped the

airlines from operating, but they have caused delay, confusion and chaos. Pilotage and harbour facilities have also been affected by this strike. Some of these technicians hold essential positions. In many cities these men have stayed on the job, but in several cities they have quit. What is likely to be the effect of this?

• (1420)

One effect of this airport slow-down or strike, whatever you wish to call it, is that the hotels, at least in my city, are running 25 to 30 per cent occupancy. Winnipeg is not the biggest city in the country but it is an important one. This strike is causing loss to innocent people, companies and corporations. Now, if this suggestion is taken up and we have this arbitrary solution, what would be an effective penalty? How would we force people back to work? There has to be something in our legislation or in labour agreements which makes it difficult for a small group of individuals to adversely affect federal services. Honourable senators, I feel it is high time that the government of this country took notice to this effect.

Hon. Edward M. Lawson: Honourable senators, I think the remarks by my honourable friend Senator Haig warrant some comment from me, so that we do not indulge in the very dangerous practice of oversimplifying the problem and trying to oversimplify the solution.

Senator Haig suggests that the proposal he outlines, and I think he sincerely puts it forth, would eliminate the possibility of disputes such as we now have with the electronic technicians. In my experience, that would simply change it from a legal strike to an illegal strike.

The federal government, through legislation, granted the federal civil servant the right to strike, and it appears now to be conditional on them never exercising that right. If you measure the record of federal legislation since its enactment with its option to opt for binding arbitration on a voluntary basis, and that is the key word, or opting for the right to strike, the record of federal civil servants exercising those options, and more particularly, the right to strike, is a record, I think, probably better than exists anywhere in North America and perhaps in any other country.

The easy solution seems to be that we must go to binding arbitration in order to solve labour-management conflicts, and we will live happily ever after. Well, Australia went to binding arbitration; they adopted that instant solution to all labour-management problems, but unfortunately the record shows that the number of man-days per capita lost under the Australian system is higher than is the case in Canada or in the United States. In other words, binding arbitration as a solution is not the instant answer or the instant cure-all that eliminates all labour-management conflicts. It has, in fact, proven to be an ineffective vehicle.

Hon. Jacques Flynn: No one has suggested that it was the instant solution.

Hon. Mr. Lawson: I am suggesting it will not work.

Hon. Mr. Walker: Mr. Meany suggests that it might work and he hopes it will work.

Hon. Mr. Lawson: I should like to deal with that as we go along.

[Hon. Mr. Haig.]

Hon. Mr. Walker: Well, let us hear you.

Hon. Mr. Lawson: It has been suggested that we model the Canadian system after the Swedish system because they do not have all these conflicts. Sweden has a system of binding arbitration and it worked very well for many, many years. However, we have to compare apples with apples. The Swedish system has about 95 per cent of the blue collar workers organized and about 75 to 80 per cent of the white collar workers organized. So, you have this heavy concentration of an organized work force resulting in a strong central body with some authority to influence trade unions. This was an effective system until it developed a few flaws. I heard a Swedish expert in labour relations remark, "There is a snake in every paradise. Even under our system we pay a price." Well, the rate of inflation in Sweden is running about ten per cent a year, so we now find that the Swedish system is not such a model one after all.

There is no simple, easy, magic solution to solve these problems. I have experienced the discomfort of the air strike perhaps as much as anybody because of the distance I travel. The solution is not to take away from that group of workers the right to strike. I think it is time for the federal government to consider that they granted by legislation the right to strike, to inquire what the experience has been and how the situation can be improved.

As a trade unionist, I always become concerned about the image of trade unions when one small group strikes and settles, everything is back to normal, but a couple of weeks later another small group strikes, with the same inconvenience. In this area there is some resistance from the labour movement, but I think we could justify the federal government, through the Department of Labour, saying they would issue fewer certificates and more multiple union bargaining certificates. Perhaps there could be one for the unions on the ground and another for those in the air in order to avoid the repetitive situation of strike settlement by one group being followed by a strike of another group a week later. It could be dealt with on the basis of multi-union bargaining, with one set of negotiations, so that if the industry was going down it would go down as a whole.

We have had experience in the shipyards of British Columbia whereby of twelve unions bargaining together eleven would agree, but the twelfth would want ten cents an hour more, and the whole thing closes down on strike. That was solved in British Columbia by the co-operation of the unions and legislation, so that now there is one bargaining certificate for all unions, and they stand by a majority decision. It has been very effective in solving the problem. That is the type of area we need to examine.

Hon. Mr. Connolly (Ottawa West): Was that arrangement between the different unions achieved by agreement or as a result of legislative action in British Columbia?

Hon. Mr. Lawson: It was a fair combination of both. The eleven unions who agreed were so upset with the twelfth, which was always holding out, that they proposed to the provincial government that the certificate be imposed on all of them. In response to the request of the unions, the provincial government imposed it on all and it solved the problem.

Most jurisdictions have a provision whereby there are two, three or four months in which to make submissions for changes. We developed a system whereby a mediator was involved from the first day; the parties would try to resolve the issues, and if after a certain period any were outstanding the mediator became the arbitrator and made a binding decision on the outstanding issues. There was a 30-day time limit within which the parties could vary the arbitrators decision, but if it was not varied within the 30-day period the decision became binding. That type of system will work, not with imposed arbitration but where there is voluntary consent of the parties to have that type of formula, and where the parties agree to accept that type of mediation.

There is one tendency that concerns me in Canada, in both provincial and federal jurisdictions. A dispute we can see developing is allowed to happen and continue for a number of weeks, causing considerable irritation and inconvenience, and then someone blows the whistle and we send for our colleague Senator Goldenberg, or somebody of his calibre, to attempt to mediate a settlement at that stage.

• (1430)

I have often said that we would be better off to have a stable of competent mediators who would be instantly available and become involved from Day One, not after we have suffered all the inconvenience for 30 or 60 days. We should have people of the calibre of the Goldenbergs, people who have been involved, who have a successful record, who have the reputation that breeds confidence among the parties concerned. They should be involved at the outset, not after it has gone on for a period of time.

I propose that we have a number of these people and that they should be paid $40,000 or $50,000 a year. I know that some would raise their voices and say that this would be a terrible price to have to pay. But when you measure their cost against the hundreds of thousands of dollars wasted, they would be worth it—even if they were able to settle one dispute.

Hon. Mr. Choquette: That is practically the only position that this government has forgotten to open.

Hon. Mr. Lawson: I think they should open it. I am not projecting anyone to the position and I am not taking political sides, but with the amount of waste involved in national industrial disputes we could still afford to pay these mediators handsomely. After a period of time they would develop an expertise in settling disputes and, even more important, the parties involved would develop confidence in those particular individuals. If a dispute occurred in some major industry, in the pulp and paper industry or in the airlines, they could send for Senator Haig or some mediator who has the confidence of the parties, and he would come in right from Day One and assist the parties to resolve their dispute.

In my experience I have found that most major disputes, except where new groups are being organized, are rarely caused by the economics of the situation. There are particular problems and anomalies which occur through the life of a contract and the employees are waiting for the negotiation time to get even, when all these differences will be taken care of. The only other thing would be to have an agreed arbitrator or arbitrators solve these little grievances and problems during the life of the contract.

I have given some illustrations of what collectively lead into strike conditions and what can be offset by eliminating other multi-problems. In my own organization we have collective bargaining with the dairy industry. We are now in our fifty-third year of collective bargaining, without a single man-day having been lost as a result of a strike or a walkout. Surely Parliament is not going to impose legislation on that body? They have an enviable record of good contracts and good working conditions. They have developed their own system to resolve any differences.

Unfortunately, there are people who have some influence in these matters, and they say that it is a healthy situation to have a major strike from time to time. I recall that when there was a major strike by the auto workers in the United States I voiced my concern about the waste of millions of dollars, the salaries being lost, and so on. I was told by some American economic experts that this was healthy for the United States economy, that this strike in auto production had a healthy, deflationary effect on their economy.

But we have to be careful if we urge the solution of labour disputes by arbitration. If we take away from trade unions the right to strike, we may then have to take one step further and consider total control of prices and profits, of interest rates and all things which flow from that. Then one is really talking about yet another step, one that would lead us to the type of controlled society we are not really too keen on. All I am urging is a note of caution, not to move too quickly.

Hon. Mr. Flynn: You do not have to worry about that with this government; they will not move too quickly.

Hon. Mr. Lawson: Perhaps we could speed them along the way by offering some constructive suggestions. I have always found a great willingness on the part of ministers, in the areas I have dealt in, to respond to constructive suggestions. Perhaps I have not been giving enough of them.

Trade unions have to be concerned when there is a strike. They look at it as a two-party conflict, their side and the other side. It seems to me that every conflict involves us. As a transportation union, we are involved with everyone else. We cannot avoid that, because there is some contact with the community as a whole. We can no longer say that we are preserving and exercising our rights, especially if we are doing it at the expense of others. We have to concern ourselves as trade unionists that in the exercise of our rights we are not injuring the rights of others, or perhaps we will have this great wave of legislation, which will not solve the problem, coming down upon us and we will have deserved it.

I think it is healthy to have constructive proposals. As Senator Haig says, there is some merit in having the proposal so long as we do not go too far.

Hon. Mr. Walker: If my friend would be good enough to answer the question he said he would answer, what is his view as to the attitude of that great labour leader, Mr. Meany, and also what is his view of the striking power

which the people have indulged in so often in the essential services?

Hon. Mr. Lawson: It is difficult to comment—

Hon. Mr. Walker: Not a bit.

Hon. Mr. Lawson: It is difficult to comment on Mr. Meany.

Hon. Mr. Walker: You said you would.

Hon. Mr. Lawson: And so I will. I will be very happy to. Mr. Meany is not my favourite labour leader. However, I think there is merit in his statement that a method must be found to minimize the impact of strikes. I can go so far as to agree with that part of Mr. Meany's proposition about voluntary arbitration, where the parties consent. I do not agree with that part about binding arbitration being imposed, which is said that Mr. Meany suggested, although I am not sure that he did.

On a voluntary basis I think it has considerable merit. On the question of strikes and the damage they do, I am already on public record. Before Mr. Meany thought it was politically wise to make a similar statement, I went on public record to say that a strike on the part of trade unions is nothing more than a public declaration that we are not intelligent enough, mature enough or reasonable enough to resolve our differences. I make no apology for taking that position.

But while saying that, it is not easy to find a simple solution that could apply generally to the question of withdrawing from essential services; nevertheless, if you give the right to strike, you give with it the right to exercise it. The legislature saw fit to give to the federal unions the right to strike. They did it, one would think, with the full knowledge that some of those groups would exercise the right and that if they did it would cause some disruption in the economy and it would cause some concern, some loss of revenue and all of these things. They must have been aware of that when they granted that right. If they did not intend for it to happen, then they should have been less hasty in granting that right.

I am not suggesting they were hasty. I think it was a wise decision on the part of the federal government to grant bargaining rights to federal civil servants, including the right to strike. The record, as I said at the outset, justifies that position.

I know that in British Columbia our premier has never seen fit to grant bargaining rights to civil servants. His position is that civil servants have a duty to perform and should not be given the right to strike, and that the government as a whole is an essential service. Therefore, for those collective reasons, he has not given the civil servants the right to bargain collectively or the right to strike. He has not even gone so far as to grant binding arbitration. But it is just a matter of time until he will have a strike on his hands. Perhaps not this year or next year but in two or three years, without any legislation and because these people have been told that they have not the right to strike, and because they have not even been given the right to binding arbitration, which they are prepared to settle for now, the Premier of British Columbia will have a strike on his hands—perhaps an illegal strike, since there is no legislation covering it.

Surely this would have been a fine opportunity to say to those people, "You now are willing to settle for binding arbitration. We will give it to you and we will solve it in that way." But here you have a provincial jurisdiction refusing to go even that far, and it is going to be faced with a strike.

The question of essential services is a matter of definition. I believe Senator Haig raised the question of whether the airlines comprised an essential service. Well, I think you could argue both sides of that. I would be prepared to argue that with the change from a railroad philosophy for cross-country travel to an airline philosophy, a strong case could be made for the airlines being an essential service. Certainly, a few weeks ago at the opening of Parliament there could have been a shocking predicament had the airlines totally shut down, because nobody would have been able to get to either house to talk about legislation or peoples rights and concerns, and nobody would have been present to make decisions. Surely, with that type of situation, one could make a case of the airlines being an essential service.

On the other side you have people arguing that the airlines are not an essential service because we still have the railroad lines, automobiles and these other modes of travel. There have been too many cases of that sort of thing in both our history and the history of the United States—particularly in the American history. You may recall that they had a major shutdown of airlines in the United States. Air transport had been classified as an essential service, but the nation was able to function with minor irritations and so the conclusion was reached that after all it was not an essential service.

• (1440)

The most recent example was the waterfront shut-down which went on for so many days and which affected the country so adversely. On the one hand you could say that it was an essential service, but since the country continued to function you could, on the other hand, say that it was not an essential service. I think we have to go beyond these particular definitions. The trade unions have to extend their viewpoint beyond that. We have seen the effect of that waterfront shut-down on exports to other countries, and I feel that this question of the ability of a country to engage in foreign exports is something that the trade unions should be aware of.

There is also the consideration of our ability to receive incoming materials. We have to consider the other effects as well. I know that the reputation of Vancouver as a reliable port was adversely affected with the shutdown on the British Columbia waterfront. Fortunately, as a result of the longshoremen's strike in the United States—and I suppose this is an example of the statement that in every evil one can find some good—the reputation of other ports has become so bad that shipping is now returning to Vancouver. We have to look upon this situation as involving something more important than the dispute of one trade union, or one local of a union or one group of industry or management. We have to find another forum where we can all sit down and concern ourselves about the rights of the workers, the rights of the particular industry, the concerns of government and our reputation throughout the world. We have to concern ourselves about

our abilities to import and to make deliveries on time. All of these things will have to be part of the consideration given to the situation.

So, honourable senators, I hope I have answered the question asked. I agree with some parts of it, but with other parts I do not agree.

Hon. Paul Desruisseaux: Honourable senators, in my speech today it was my intention to discuss this question but from a different angle. I appreciate what has been said by Senator Haig and Senator Lawson. They touched on particular points, and in my remarks I shall try to place myself in the position of the Canadian layman.

[*Translation*]

Honourable senators, I subscribe to the remarks and congratulations addressed by the speakers who took part in the debate on the Address in Reply to the Speech from the Throne to our genial Speaker, the Honourable Jean-Paul Deschatelets, to the Government Leader in the Senate, the Honourable Paul Martin, and to the leader of the Opposition in this chamber, the Honourable Jacques Flynn.

I also add my congratulations to those who have spoken before me during the debate, namely, Senators Buckwold, Lapointe, Flynn, Martin, Michaud, Eudes, Williams, Haig and Lawson.

For my part, I should like to be as brief as possible and limit myself to comments which I consider to be important as they bear on certain specific points.

[*English*]

Today I want to mention a few points concerning unemployment, the announced introduction of legislation in connection with the Canadian Labour Code, the rumoured policies of the government with respect to foreign control of Canadian industry, and the role of the Senate. Not forgetting what has been happening in many other countries, and being quite aware of the efforts of the Canadian Government to remedy the situation in the best possible way and the fact that many new jobs have actually been provided for Canadians, the high level of unemployment in Canada still is the shame of this nation and a challenge to our governments, provincial and federal. It still exists in spite of governmental efforts to reduce its present dangerous level. I believe it is wrong to say that there must be an available labour force reserve for our labour markets. It has become evident that much more must be done to combat unemployment effectively and permanently. I, for one, question the value of the temporary measures because they are in many cases too indirect, too unstable, and offer little in the way of a permanent solution. What is necessary, it seems to me, is the assurance of steady work providing decent wages, that will by itself steer the economy of the nation and provide the necessary incentives for the economic development in Canada, which is also a better way of providing more tax revenues to the governments to meet their present needs.

The labour-management situation in Canada is in my view a real mess. There is unnecessary chaos and hardship caused to the general public by the rash of strikes taking place in Canada. Recently the air traffic controllers strike hurt the public economically and socially. This strike should never have occurred, as its settlement proved. Then we had the air technicians strike which lasted some 20 days. It affected the economy, and was at the point of creating unparallelled transportation chaos for most of our citizens. We must ask ourselves if these strikes created a fair situation for the public of Canada, and if they are to be permissible in the future. Other strikes affecting the welfare of the Canadian public are now being organized to follow those which have just ended. If all future labour contracts are to run for periods of 24 months or less, the public must of necessity be resigned to constant possible recurrences of this chaos every few months. Is this a fair and acceptable situation for Canadians?

Hon. Mr. Flynn: It is accepted by the government anyway.

• (1450)

Hon. Mr. Desruisseaux: I do not accept it.

Hon. Mr. Flynn: I am aware of that, and neither do I accept it.

Hon. Mr. Desruisseaux: I feel the public will not accept it either, and I do not think the government is solely to blame.

Hon. Mr. Flynn: If you do not think so you should not say so. From your remarks I feel you meant to blame the government, and you should not be afraid to do that.

Hon. Mr. Desruisseaux: I blame the government only in respect of the ways in which the laws can be improved, and I intended to state that. Now and again, it is quite usual to hear these comments. We criticize one side or the other, and I feel this is quite admissible. If the general public is asked I feel they will also indicate this.

In Quebec we have had strikes of policemen, firemen, airline workers, postal workers, prison guards, teachers, dock workers, hospital workers, telephone operators, and CBC radio and television workers, and many strikes in industrial plants within just a few months. Is this acceptable to the public taxpayer whom we represent in government?

Hon. Mr. Flynn: Do you mean in Parliament?

Hon. Mr. Desruisseaux: I shall continue. You are better able to criticize along these lines than I. In any event, I do not choose to do so.

Hon. Mr. Flynn: I am not criticizing. I am merely changing a word.

Hon. Mr. Langlois: It must be the election fever.

Hon. Mr. Flynn: Who is talking about election fever?

Hon. Mr. Desruisseaux: I have stated this and I am speaking as a Canadian at this time.

Hon. Mr. Flynn: I am also. I am merely suggesting that "parliament" and "government" are two different terms. They are not the same.

Hon. Mr. Desruisseaux: Well, if the other side does not speak loudly enough, perhaps they should.

Hon. Mr. Flynn: This is the point I am endeavouring to make also.

Hon. Mr. Desruisseaux: All the Quebec civil servants, and all welfare department employees, hospital

employees, school personnel, hydro employees, and liquor board employees, under the guidance and co-ordination of three labour leaders, are planning a simultaneous strike in March. This will involve about 250,000 public service employees in the Province of Quebec. Is this a fair treatment of the citizens who will suffer? Is this acceptable as a new way of life in our day? Is this even necessary for the workers?

In a land committed to ensuring law and order, must we tolerate to an ever increasing degree illegal slowdowns of work and study sessions which force the hand of the other side, sabotage and destruction of public and private property in an endeavour to demonstrate to management a capacity to go further, criminal assaults, illegal picketing, defiance of court orders, lockouts, and the firing of union activist employees. There is no longer law and order in the field of labour management relations, and there must be a full reconsideration of all its aspects. It is a wonder that we have been able to maintain economic stability through all of this.

There is growing public concern about these situations. There is general uneasiness about the hesitancy of our representatives in government to deal with these problems in a straightforward fashion because of their fear of pressure and political embarrassment. Is this a fair attitude? There is mounting public indignation at the attitude of the federal and provincial governments which avoid considering the right to strike in certain public areas. So far, too many in governments and political parties have disregarded their real duties and have not taken into account the rights of individual Canadians. They have not given priority consideration where it appeared to be due.

In my view, too many of the present labour laws, both provincial and federal, are archaic, obsolete, ineffective and in some cases, unfortunately, they serve against the best interests of both labour and management, and most assuredly they serve against the best interests of the Canadian public.

I do not wish to cite as the perfect example what was done in the United States in an endeavour to correct similar situations, but in that country there exist certain laws to curtail the wholesale abuse of the public. The Taft-Hartley Act can be invoked to stop certain strikes for a certain period of time. Such a law does not exist here. It was enacted in the United States because tens of thousands of people who had no part in the disputes were suffering needlessly. This type of law has been found now to be ineffective. The President of the United States has been trying for the last two years to impress upon Congress the need for new legislation in this field. What is being proposed now is a three-member arbitration board, appointed by the Department of Labour, to hear all the issues and present a settlement which would be binding on management and union for a period of at least 18 months. No strike or lockout would be allowed from the day the legislation was enacted. Canada should examine such legislation more closely because of what is happening here.

In Quebec the provincial government may very soon have no alternative, in avoiding a general breakdown, but to declare strikes illegal. This is indicated by the rumoured general strike of public servants in Quebec sometime in early March.

[Hon. Mr. Desruisseaux.]

• (1500)

We have in Canada a complex system created by the Constitution which gives similar powers in respect of labour to the federal and provincial governments as it does in other fields, which may necessitate special arrangements at times. This complex distribution of labour powers should now be re-examined. The present laws do not sufficiently take into account the rights of individual Canadians who lose because of the striking attitudes of labour, or the lockout attitudes of management.

In some cases the present laws appear to be somewhat influenced by pressure groups, party votes, and party politics. In my opinion, some of these labour laws are so contrary to the best interests of the general public that they call for immediate changes and basic amendment.

This is an area in which the Senate could do much to help demonstrate and clarify the haze and confusion which exist whenever there is a discussion of labour laws in connection with public rights. It is an area wherein the recommendations of a Senate committee could help settle intelligently some of our major labour problems.

I do not wish to take political sides. I believe I am stating the case of Mr. Canadian, who has transcendent rights which should not be buried, as they are, in secondary considerations. Without wishing to abuse the facilities of the Senate committees, I suggest strongly that the Senate should constitute a special committee to carry out a broad study of labour-management problems. Such a committee could attempt to arrive at an acceptable formula to reduce the number of strikes, hardships, and displays of violence which occur in our labour disputes. It could formulate a just approach to all these problems, which would provide the government, the workers, and management a fair basis for faster and longer settlements. I can visualize such a committee comprised, for instance, of Senators Goldenberg, Lawson, Forsey, Giguère, and others who are experienced in labour-management relations. There are still others who are experienced in all areas of industrial, financial, and commercial management. As I look around this chamber I see many other honourable senators who have had direct experience in the civil service and government labour relations. The combining of their experience in an attack on these problems would, I believe, serve Canada well. I am sure the services rendered would be of the highest importance to our citizens.

I believe also that only the Senate can conduct such a study to the satisfaction of all, because its members are not elected and have no fear of group pressures. The findings of such a committee could have greater value and more effective results than those of a royal commission, because of the diversified qualifications and experience in this field of its members.

I do not consider strikes and violence to be at all necessary for the settlement of disputes and differences between labour and management. The present methods are, in my opinion, passé. This is the thinking of a great many Canadians and of Mr. Meany, President of the

American Federation of Labour to which are tied many Canadian unions. It is the thinking of a surprising number of unionists, who are the direct and immediate sufferers from all the consequences of our archaic ways. A trade union recently founded in British Columbia now includes in its constitution a provision that its members will never strike, although this position is opposed by old-line unionists. I refer honourable senators to page 6 of *Canada Month* of January 1972.

A growing number of Canadians now question whether the strike weapon in the hands of key public servants is justifiable. The recommendations of such a Senate committee as I have suggested could be used as the basis for amending legislation, and for creating modern labour-capital legislation which would bring peace and tranquility to relations between governments, management and labour. This would assure improved productivity which would further the expansion of our trade and commerce outside Canada on competitive terms, and give the public a well-deserved and well-earned period of stability.

The findings of such a committee would also be of great help to the individual provinces in establishing a uniform consideration of the problems. It would also assist in their consideration of appropriate corrective legislation.

I wish to make only one or two further observations. No nation has helped more than the United States to make Canada, which had the human energy and natural resources, what it is today—one of the most desirable places in which to live in the world.

I have failed to find clarification in the Throne Speech of policies regarding foreign investment in Canada, foreign-owned companies, and foreign control of Canadian companies. It is the understanding, and I rely on the words of the Leader of the Opposition given in the Senate recently that we are now in a pre-election session. I understand some of the political arguments and reservations on policies in respect to such a subject in such circumstances. I am, however, of the opinion that Parliament would better serve Canadians by discussing now an important and consequential issue before it goes to the people through one-sided political platform approaches.

Disregarding political considerations and political embarrassments, I believe the public is entitled to hear the views expressed and discussed by Parliament on any issue of far-reaching importance, in which questions of foreign investment and foreign control should be included.

• (1510)

We have done well with our exports, particularly over the past decade. Credit for this outstanding success, despite all that has been said, lies with the policies and the direct assistance of the government. Let us not forget that fact. That success is due also in great part to our multinational corporations which have developed worldwide market facilities for the sale and distribution of products manufactured in Canada. Were there any hesitation in stating clearly the government's policy, or if restrictions were placed by the government on the presence of multinational corporations in Canada, our favourable export trade position would change rapidly for the worse, and our favourable trade balance would be reduced to a continuous series of unfavourable results which would greatly tax the economy and diminish the pace of our progress.

On January 1, 1972, *Business Week* published figures about Canada, some of which were recently quoted by the Leader of the Government. In 1971, according to the best estimates, Canada experienced a rise in prices of 3.8 per cent, representing the lowest rise among 12 of the most important trading nations. By comparison, in Japan the rise was 4.6 per cent; in France, 4.3 per cent; in Great Britain, 9 per cent; and in Sweden—that much publicized state which, with all its present difficulties, is now on the brink of a deep economic depression—6 per cent. That represents a commendable achievement for Canada.

Of the 12 trading countries analyzed, the 1971 percentages of real growth placed Canada in fourth position. This again represents a remarkable achievement for a nation of 22 million. In looking at the record of real growth increase over the 10-year period from 1960 to 1970, it is reassuring to see that Canada occupied third place in the world for growth performance. Only Japan and Italy did better. During that period we experienced a real growth increase of 285 per cent, while that of the United States was 111 per cent.

The policies of the government are not perfect and often invite strong criticism. Indeed, I have freely criticized them myself. However, the government is responsible for much of the progress that we have enjoyed over the past few years.

My reaction to what occurred last December in connection with the tax reform legislation is that the Senate should never again forfeit its right of action granted by the Constitution; it should exercise that liberty for as long as the Constitution exists. The Senate should never again act against its better judgment, as I believe it did in rushing the passage of the tax reform legislation on request and under pressure, even though it had studied the bill for many months while the legislation was being debated in the other place.

Those in authority responsible for the tax reform legislation ill-timed its presentation to the house, incorrectly estimated the time necessary for full discussion of the legislation, and did not take into account the role played by the Senate in constitutional affairs. It is to our shame, as members of this chamber, that we surrendered the most elementary basic principles necessary if the Senate is to function within the terms and spirit of the Constitution. I am sure that honourable senators share my view that the incident will serve as a warning that nothing similar must be allowed to occur again.

It is necessary to find solutions to several problems other than those already mentioned, the most important of which is ways and means of stimulating the Canadian economy and reducing the present unacceptable level of unemployment.

The Throne Speech has given rise to optimism in many important fields. In general, I liked it for its indication of what the government wishes to accomplish, and for the peace and tranquillity it offered to all in the pursuit of daring goals. With the co-operation of everyone, Canada will experience an upsurge in its economy which will bring greater benefits to all its citizens. It will be pleasant

to co-operate in attaining that ideal objective, whether or not an election is forthcoming.

Hon. Mr. Lawson: I should like to ask three or four questions of Senator Desruisseaux. He mentioned a provision in the constitution and by-laws of a union in British Columbia to the effect that it would never strike. Is that union a hospital union in British Columbia?

• (1520)

Hon. Mr. Desruisseaux: I made reference to *Canada Month* of January 1972, at page 6. It is a union of hospital employees.

Hon. Mr. Lawson: Are you aware that the person who organized that union, and who is posing as the business agent, is really a company lawyer by the name of Terrence Wolfe?

Hon. Mr. Desruisseaux: No, I am not.

Hon. Mr. Lawson: He is a company lawyer, and he is the author of that document.

Hon. Mr. Desruisseaux: I read *Canada Month* and I was prudent in quoting what I read. I requested those listening to read it, and that is all I can do.

Hon. Mr. Walker: His name might have been Fox.

Hon. Mr. Lawson: You also made reference, senator, to American legislation. Were you referring to the transportation bill proposed in the United States?

Hon. Mr. Desruisseaux: The legislation to which I referred is now pending before the United States Congress. It has been held in abeyance for two years in spite of the recommendation by the President that it be passed.

Hon. Mr. Lawson: I have two other questions, senator. You made reference to violence, and the breakdown in law and order. Were you referring to a specific area? Surely you were not referring to the whole country.

Hon. Mr. Desruisseaux: I do not feel I should have to enumerate the different areas, senator, but if you wish some examples I can give you quite a number.

What I said was that whenever there is a settlement all charges are dropped, and there are no prosecutions. Surely you have read accounts of what happened in Quebec, or what has happened on the docks.

Hon. Mr. Lawson: I am concerned, senator, that the impression has been left by your presentation that this violence, and breakdown of law and order, applies generally across Canada. There may have been some instances of this in the Province of Quebec, but it has certainly been at a minimum across the country. We have had strikes in British Columbia, but when we strike we do so in the spirit of love and understanding.

Hon. Mr. Desruisseaux: I must reply to that remark. I am not letting you get away with that.

Some Hon. Senators: Hear, hear.

Hon. Mr. Desruisseaux: We have seen trouble in the Maritimes, in the central parts of Canada, and in the west, but I would hesitate to put one against the other to point out a specific area as being worse than another.

[Hon. Mr. Desruisseaux.]

Hon. Mr. Lawson: I raise this issue in all seriousness because whenever acts of violence have taken place in British Columbia, the individuals concerned, almost without exception, have been prosecuted according to law, and prosecuted severely.

Hon. Mr. Flynn: Like under Duplessis.

Hon. Mr. Lawson: I have one further question, senator, regarding your comments with respect to reviewing the right to strike of public servants. Assuming that you were able to take away that right to strike, what would you do when the truck drivers refused to deliver the jet fuel? How would you deal with that situation?

Hon. Mr. Desruisseaux: C'est une hypothèse. I have simply tried to put before this chamber the facts, and I do not think anything has been denied. My only hope is that we can do something about it. I am not taking sides, as I said earlier. The privilege of organizing labour is an important privilege, and I simply do not want us to lose control over labour.

Hon. Mr. Lawson: Thank you, senator.

Hon. Mr. Haig: Honourable senators, I am pleased that I was not called out of order when I opened my remarks concerning labour. This has been a most interesting debate, and tomorrow I think I will present a motion.

Hon. Frederick William Rowe: Honourable senators, I regret I have to commence my first address in this historic and honourable house with a small apology. As you all know, I come from one of the more favoured parts of this great country of ours where we have a fairly benign climate. Indeed, it might be called a semi-tropical climate. It takes some time to become climatized to the severe Ottawa winters, and I am still suffering from this one. I regret I am not able to speak to you as I would normally want to.

I should like, first of all, to congratulate Senator Buckwold and Senator Lapointe for the very able, excellent, and eloquent way in which they performed the important tasks of moving and seconding the Address in Reply. I congratulate also those honourable senators who have spoken in this debate. I have not had an opportunity to hear all of the speeches, but what I did hear were most illuminating.

At the outset, in my first speech in this chamber, I wish to express the great honour I feel as a result of being summoned to this chamber. As a member of the Senate I shall have an opportunity, I hope, of serving in some small way my native province, and, to the best of my ability, the country of which I am proud to be a part.

As a Newfoundlander and a newcomer, I pay my respects to the distinguished Newfoundlanders who have served and who are presently serving in this chamber. The Province of Newfoundland has never lacked able and dedicated representation in our nations capital, in either this house or the other place. Our problems have been heavy ones and, in some cases, unique ones. It was important, therefore, that Newfoundland's representatives be insistent, articulate, and dedicated individuals. We have been most fortunate in this respect, and continue to be so. For example, if I may single out one individual, in the person of the Honourable Donald Jamieson, Minister of

Transport in the present administration, Newfoundland has a spokesman who surely must be numbered among the ablest Canadians in public life today.

In my first speech I intend to devote myself to what I feel are national problems, rather than provincial or local problems *per se*. Some of the matters I intend to deal with are highly controversial and, indeed, are problems which, whenever they are under discussion, cause a reaction that is likely to be emotional rather than intellectual. The statement and recommendations I shall make will not be made lightly. Perhaps I can best explain my position by saying that as the father of four sons, all of whom are relatively young men, and the grandfather of six children, living not only in Newfoundland but also in the Province of Quebec, I could not approach this problem lightly.

• (1530)

Finally in that regard I must say that the views I express are entirely personal, and should not be construed as necessarily representing those of any group or party with which I was or am now associated.

Honourable senators, I shall try to say a few words in French, not to show that I know that language well, because I do not. Unfortunately my knowledge of French is mostly academic, derived from my study of that language for several years at university. My knowledge of oral French is necessarily limited because of lack of opportunities to practise it. However, I do want to express my sincere interest in the cause of unity and fairness in our country.

[*Translation*]

Honourable senators, I should like to say a few words about bilingualism. Ninety-eight per cent of the population of Newfoundland is of English, Irish, Scottish or Welsh origin. Therefore, I speak without serving a provincial interest and I see a united and growing Canada in satisfactory terms.

I suggest that common sense, practical sense and morality above all require, if our Constitution is to be more than a piece of paper, that we make every effort to ensure that after a reasonable period of time, all Canadians will be able to express themselves in either French or English. In the light of what happens in many medium-size countries of Europe, where people often use two or more languages fluently, there can be no objection as to the practical character or the cost of this objective.

If this is to happen, and it must be our deepest desire, it is possible for most Canadians to be bilingual in twenty years from now.

Hon. Mr. Fournier (De Lanaudière): Very good.

Hon. Mr. Rowe: Thank you.

[*English*]

In case any of my English-speaking colleagues may not have grasped all that I wanted to convey in my imperfect French, I will paraphrase what I said in English. Ninety-eight per cent of our people in Newfoundland are descended from English, Irish, Scottish, and Welsh settlers. We do not locally, then, have any problem, if I may use that word, in respect of bilingualism. English has always been the one language there. In expressing my views on this matter, therefore, I have no provincial axe to grind, but I do have the desire to see Canada united and growing in matters that really count.

I believe that common sense, common expediency and, above all, common morality—if the Constitution is not just a piece of paper—demand that we make every effort to see to it that, within a reasonable lapse of time, every Canadian will have a working knowledge of the English and the French languages. In the light of what has happened in several smaller countries of Europe, where the people are often proficient in even more than two languages, any objections on the grounds of practicality or of cost are totally invalid. If we really want it to happen, if we want Canada to be bilingual—and we should want that to happen—in less than 20 years from now it is possible for the great majority of Canadians to be bilingual.

I want to speak about youth. Youth has always tended to be rebellious, more so in recent years than perhaps at any time since the days of Socrates. This spirit of rebellion has manifested itself in extreme forms. We have seen violence at our universities, some of it completely senseless and completely incomprehensible. We have seen our young people adopt bizarre forms of personal behaviour, bizarre ways of self-expression, and so on.

But I think we must keep a sense of proportion in this. We must remind ourselves that those young people responsible for the worst violence that has occurred in the United States and, I am sad to say, here in Canada, or in some of the universities of Europe—and I happened to be in Paris during the period when there was some extreme violence there—and those young people who exhibit bizarre forms of self-expression, particularly those who are so physically filthy as to be offensive to ordinary people, represent only a small fringe of the rebellion. They represent what I would call the lunatic fringe of this spirit of rebellion. The vast majority of our young people are not anarchists or fools, but they are in a state of rebellion, and let us make no mistake about that. The fact that a student may be leading a superficially normal existence, applying himself or herself to study, recognizing the rights of others, and conducting himself or herself in acceptable ways, in no way eliminates the fact of rebellion.

Young people are in rebellion against our hypocrisies, our mythologies. They know that some of the things we have tried to cram down their throats are an insult to their intelligence. They are in rebellion against our stupidities and, above all, against our scale of values, and the corruption of those values—values which glorify economic growth at the expense of our environment; values which place a premium on the actual possession of physical things, as manifested by the fact that television, which should be a tremendous force for valuable information, is monopolized by the one message "Consume", a message which has been largely responsible in recent years for turning sizeable portions of our environment into cesspools and garbage dumps.

I might interject at this point to say that not many years ago while at the University of Toronto it was a great pleasure for me to swim in Lake Ontario during the summer. No one in his right senses would swim there now or in other lakes in proximity to centres of population.

• (1540)

Honourable senators, I should like to say a few words on the problem of drugs. University students knew that it was stupid to treat marijuana and heroin and other hard drugs on an equal basis. That is why for every student who has been unfortunate or stupid enough to tamper with heroin, there are a hundred who have used, and continue to use, marijuana. They told me years ago they recognized that the criminality with respect to marijuana was not in its use, but in the actions of a society which put persons in jail for as long as five years for smoking a substance which they believed to be no more harmful than the tobacco their fathers, mothers, and neighbours used. Now, after hundreds of young lives have been blasted, not by smoking marijuana but by prison sentences—and I am thinking not just of Canada because we do not live in a vacuum—a most distinguished commission, appointed by the President of the United States to explore marijuana and the legalization of it, and composed of highly competent and eminent scientists and impartial psychiatrists, some of them noted conservatives in their respective fields, has recommended that marijuana be legalized in the United States.

Last month my wife and I visited several large cities in the United States. For some years we have been going to New York and Boston, where we have relatives and friends, and further south to Washington, and so on. This time friends warned us against doing something we have always liked to do—going out at ten or eleven oclock at night for a pleasant walk along some of the streets. Their reason for so warning us is almost incredible. The streets of these cities, where seven or eight years ago we would have been surrounded by a multitude of people, are now empty at ten oclock at night. The reason? If you go out on these streets—and a good example is the streets of Washington, the capital city of the United States—at night for a stroll, there is an almost 100 per cent mathematical probability that you will be robbed without violence, mugged—robbery with violence—seriously injured, or murdered.

In Florida a woman drove up to a supermarket at noon to go shopping, and as she was about to get out of her car, while surrounded by other people in the area, a man produced a gun and demanded her handbag. She said that she had only nine or ten dollars in it, and added that even if she were killed for it he was not going to get that handbag. He fired three bullets into that woman's brain, and then took the handbag. That happened the other day.

The majority of these robberies by violence, often involving murder, are being committed by the victims of hard drugs, usually heroin. The astonishing thing to me is that society has, with few exceptions, closed its eyes to the simple fact that the victim of hard drug addiction, especially heroin addiction, when deprived of his drugs becomes a maniac no more responsible for his actions than the most serious psychopath confined in our mental institutions. Because these victims will go to any extreme, including murder, to satisfy their craving they have become the victims of criminals who exploit their needs by supplying them with drugs at prices which the proceeds from ordinary thievery and pilfering—and prostitution, in the case of girls—are unable to meet.

So the cities of the United States—and let us have no doubt that increasingly the cities of Canada will become the same—are studded with homes and apartment buildings that are armed fortresses, protected by dogs, guns, chains, and security guards, and inhabited by people who, with good reason, live in daily fear for their lives.

But security guards, dogs, and chains do not deter the drug maniac. Clearly there is only one solution to this problem. The lessons that we learned from alcohol, and our attempts to control it a few years ago, are relevant today. Largely because of an emotional response on the part of a number of groups in our society, prohibition of alcohol was attempted. What prohibition did, for example, in the United States and to a lesser extent elsewhere, was not to cure or prevent alcohol addiction but rather to provide a fertile ground for a perpendicular and horizontal growth of organized crime, and for the elevation of criminal elements to a pinnacle from which all attempts to dislodge them have since proven futile—at all events in the United States. Prohibition did not prevent people from using alcohol, nor did it prevent alcohol addiction—an addiction which, incidentally, happens to be far more destructive of human life, in terms of actual numbers, than all other addictions in our society, with the possible exception of tobacco addiction.

I am thinking of the outright loss and shortening of human life, and where the numbers are important. This is another one of the hypocricies for which our young people indict us. They know that, yet we have given a five-year sentence to an 18-year old girl for smoking one marijuana cigarette, while we have given a two-year sentence to a man for driving an automobile while drunk and killing several innocent people.

Our present laws—and I am thinking not only of the laws of Canada but of our western society—will not prevent heroin addiction. They have not prevented it. Our method of restricting the supply of heroin increasingly forces addicts to resort to crime, including murder, in order to get the drug. If there is one thing that should be absolutely clear to all of us, it is that the heroin addict will get heroin, or the hard drugs, even if it involves the murder of his own family.

Surely the alternative to meet this completely impossible situation is obvious. Just as with alcohol it became necessary for the state to take over its control and supply, so the control and supply of heroin must be taken over by the state which, in our case, would be the national government.

• (1550)

Given a choice between having a young man resort to the murder of innocent persons or giving him a free supply of heroin while other help and treatment are being concurrently administered, surely there can be no doubt as to the sensible and logical procedure to follow. I have said "young man" but the same remark applies to women. Only a couple of weeks ago at the Americano Hotel in New York, one of the great hotels in the United States, a man returning to his room was killed on his very threshhold by two women both reportedly looking for money to buy drugs.

Since putting these words on paper I have had an opportunity to look through the last copy of the New York

Times. I found in it something incredible. I am not an expert on these matters, and I speak only as an ordinary citizen. I read that within recent weeks a number of prominent citizens of the United States, persons actively and officially concerned with this problem including the police commissioner of New York himself, have come out in favour of and are, in effect, advocating the same thing I am advocating, namely, the free supply of heroin to all addicts by the state so that they do not have to resort to murdering people, committing prostitution, robbery and other crimes in their attempts to get sufficient money to satisfy the demands of the organized gangsters who are supplying them with the drugs.

The adoption of this recommendation would almost automatically eliminate one of the most serious aspects of the present hard drug situation—a factor which is ignored by the majority of our citizens—that in order to meet the ever-increasing financial cost of his addiction the addict has to resort to seducing his friends, his neighbours, his peers, and other young men and young women, including children. He seduces them into the habit in order to give himself the chance to meet the cost, or some of the cost, of his own addiction, and by selling to the new addict he becomes a pusher himself. So we have this vicious, ever-expanding, ever-enlarging deadly circle.

This whole sorry business has not yet reached the stage in Canada that it has in the United States, but we would be naive indeed to assume that Miami, San Francisco, Los Angeles, Chicago, Detroit and other American cities will continue to enjoy a monopoly on the present unbelievably high murder and assault rates. We have a chance—a little breathing space, you might say—to profit from what has happened in the United States, and we have a chance also to provide an example which I have no doubt at all the United States and other countries will eventually follow.

If I may just summarize the matter at this point, I think we should do two things in Canada. We should separate marijuana entirely from the hard drugs and legalize its use, and we should set in motion an inquiry to devise formulae whereby the state will supply hard drugs where such action is necessary in order to protect the public from the insane depredations of those who are hooked on hard drugs.

We cannot, of course, escape the hard fact that we lie cheek by jowl with the United States. It must be conceded that the success of any program in Canada would undoubtedly be jeopardized if the United States continued its present irrational approach to the hard drug problem. And let us face up to the fact that it is an irrational approach. After all, it is not the first time that that great country, a nation for whom we have the most profound admiration, respect, and friendship, has been guilty of an irrational course of action. But I, personally, do not think that the United States will continue its present course, especially if Canada should change its own course.

It is infinitely preferable that any study we might undertake should be undertaken jointly with the United States, and even more preferable still that it be done on an international basis, possibly through UNESCO or some other agency of the United Nations, In any event, Canada can take the lead in this matter.

As far as marijuana is concerned, my personal feeling is that within a year of the coming presidential election in the United States the use of marijuana will be legalized in that country.

Finally, in case there is any doubt on this matter of hard drugs, I point out that how to control and eliminate the hard drug traffic is one of the most serious problems facing our whole society today. This traffic in drugs is an evil so great in its potential that it imperils the very future of our society.

I should like now to say something about penal reform. In recent years we have seen significant reforms adopted in Canada, and the present administration has indicated its intention of continuing this work. I think in all fairness—and I do not say this in any partisan sense—that it has to be said that much of the progress made has been the result of the courage and intelligence of the Leader of the Government in this house, in both his present capacity and his previous capacity as Minister of Justice. But after allowing for what has been done, or the progress that has been made, I must state with all the emphasis I can muster that I am convinced that much of our Criminal Code and our penal system continue to be barbarous and useless.

Historically, penal systems in our society have been based on four principles. There has been the principle of revenge, retaliation, or punishment. They all mean the same thing. There has been the principle of rehabilitation—putting the criminal in prison and attempting to bring him out a better person. There has been the principle of deterrence—if you make an example of a person another person will take due notice. And there has been the principle of the protection of society—innocent people must be protected.

When the question is put to us, most of us take the position, rightly or wrongly, that the principle of revenge is no longer acceptable. That position is reflected in our attitude towards capital punishment, and that attitude is being felt increasingly all over the world. It is not for any love of the Mansons of this world that we refuse to put them to death. If we do so refuse, it is because we feel that it is morally indefensible to kill them. I should say that at least some people feel that it is morally indefensible. Not all people feel that way.

• (1600)

Our penal system as an agent of rehabilitation is a tragic farce. It is a joke, and it has never been anything else but that. Indeed the net result of our penal program has been to degrade and brutalize those unfortunates who were victims of it. The vast majority of those who have served time in prison have come out more anti-social than they were when they went in, and it goes without saying that they come out—and I think this testimony should be given on behalf of our penal system—with more skill and greater ingenuity to enable them to continue their anti-social behaviour.

In reading through the *Illustrated London News* over the weekend I came across the words of Lord Stonham, one of the leading students of the British legal system and, in fact, the minister of state responsible for administering that system for some years, who said:

> Prison can make criminals of offenders; it cannot make them decent citizens. As an instrument of rehabilitation the prison has failed.

The trouble, I would suggest, honourable senators, lies deeper than the medieval treatment of our prisoners which still goes on in many of our penal institutions. In the lifetime of my grandfather people by the hundreds, including children, were hanged by the neck until they were dead for offences which today would draw at best only fines, and at worst only a suspended prison sentence. I am absolutely sure that just as we now look back almost with disbelief over the past 150 years and view with horror the fact that our ancestors would hang children for picking pockets or the father of a family for poaching a rabbit for himself and his family, or that within the lifetime of some members of this house people were kept in jail indefinitely simply because they owed money and for no other reason, so our grandchildren, alive today, will view with equal incredulity the fact that their grandparents could have been party to the imprisoning of fellow human beings for actions which are in many cases the results of inherited mental factors or environmental conditions—in other words, accidents of birth entirely beyond the control of the individuals concerned. And yet, honourable senators, we put them in jail. I shall come back to this in a moment.

As far as the deterrent factors are concerned—and I know there has been some controversy on this point—my view is that experience has shown that the effect of capital punishment or imprisonment is, at the most, minimal in its effect in deterring others from following similar courses of action. In fact, in the minds of many people its effect is non-existent. There is the classical example of children picking pockets at public executions while their friends were being hanged for picking pockets. The man who kills his wife in a fit of insane jealousy—and this is something that happens every day in our society—is no more likely to be deterred by the consequences to his own person than is the heroin addict who must get a fix. But individuals and society still have to be protected. To return to those unfortunate wretches in the United States, we cannot have the Mansons, the Specks, the Boston stranglers letting loose their savagery on other human beings. If we do not execute them then we must keep them in custody, and we are morally bound to treat them for their illnesses.

Putting a sex deviate in jail merely because he is a sex deviate *per se* is only now partly recognized, at least in Canada, as being useless, stupid, and inhumane. We have relaxed the laws. This house has been a party to the relaxation of laws in respect of certain forms of sexual behaviour; but other forms of sexual behaviour still result in imprisonment because they offend our sense of moral values and not because they harm anybody. So long as those people do no harm to other human beings, we have no moral right to legislate their behaviour, and I suggest we have no moral right to put a sex deviate in jail simply because he is a sex deviate any more than we have the right to put a man in jail simply because he has six fingers on his right hand. Again I stress—because I know that I can easily be misconstrued, misinterpreted, or misrepresented on this point—that this has nothing to do with the fact that society must be protected from those who would threaten the physical and mental well-being of others, especially children.

I believe that Canada should lead the way in a program designed eventually to abolish or drastically modify our present penal system on the grounds that far from doing what needs to be done, it has become a costly liability to our society. It should not be beyond our ingenuity to find far more effective deterrents to anti-social behaviour than imprisonment has shown itself to be. But the present system, as we know it today, can only be abolished or diminished if there is a simultaneous increase in facilities for custodial and remedial treatment of those who, because they are a physical threat to the rest of society, cannot be permitted to enjoy personal freedom.

Vast sums are now being spent to keep offenders in jail, and this figure is increasing astronomically every day. I read in an article a few days ago that the prisons in England, even with the number of new prisons being built, are still inadequate to deal with this problem. They still have there 5,000 more people than they can find accommodation for in spite of the well-known overcrowding. This situation is true all over the western world. If some of the vast sums of money now being spent to provide these prisons and to keep offenders in jail were applied to the detection of psychological abnormalities and behavioural problems at the school level, and if this were followed by adequate professional treatment with institutionalization where necessary, there would be a steady decrease in the number who, as things are now, are mathematically certain to end up in our jails—unfortunately, after they have worked their havoc on innocent fellow human beings.

• (1610)

If such an inquiry as I have suggested were undertaken by this house or any other body, I feel it should include a study of the role of law-enforcement agencies in the light of modern problems of unprecedented complexity. No one in his right mind would suggest there is a simple answer or a simplistic approach to this problem. Of course, there is not. What is needed is a complete review of the Criminal Code of Canada as well as our method of enforcing that code.

Honourable senators, perhaps the Legal and Constitutional Affairs Committee which is looking into the matter of parole could have its terms of reference enlarged to enable it to consider some of these matters I am hinting at today. No matter how this matter is approached, the important consideration is that something be undertaken by responsible authorities, preferably under the aegis of one or both of the legislative bodies which comprise Parliament.

I wish to say a few words concerning labour relations. I regret I was not here when this discussion began. I did hear the latter part of Senator Lawson's remarks, and I was very much interested in the eloquent way he presented them. I was also interested in the points made by the honourable senator who spoke immediately prior to me. I will try not to repeat the points which have previously been made. What I have to say on this matter will be said with the full realization that, taken out of context, some of my remarks could be used to brand me as anti-labour. In

anticipation of this, I can only say that my whole background ought to give the lie to such a charge.

The strike as an economic weapon has increasingly become blackmail against the whole community. In a society which has reached the maturity of ours in other directions, the strike ought to be considered as both unnecessary and immoral. I interject at this point that this is not in any way an indictment against the various groups who have taken this action. This is not a criticism of any particular action. I am criticizing the entire principle and philosophy of strikes. We are aware that most strikes are destructive in one way or another, and that the final result is usually only what could have been arrived at in other ways with far less suffering, especially to the families concerned.

There have been strikes which have lasted three months, six months, and even nine months. In my old constituency last year there was a strike which lasted nine months, and everyone in that community was out of work and families and children suffered. The final result could have been arrived at in other ways with far less suffering for everyone concerned. When we talk about the inconvenience and hardship imposed on the public generally, let us not forget that the ones who suffer the most are the wives and children of those directly involved in that strike.

The strike should be abolished. I repeat, I am not saying that the demands of one group or another are necessarily extravagant or improper. I am not passing judgment on those demands. I would not presume to do that. What I am indicating is that the strike, as an instrument for achieving the desired ends of various groups and segments of our society, is a relic of economic barbarism and its continued use must inevitably lead to economic and social chaos and anarchy. We have seen this increasingly over the past several years. I am not speaking solely of Canada.

What about the demands and aspirations of the different groups who have legitimate demands? How can these demands be met? I do not pretend to offer any pat solution. But I do know that the society which has produced the technical miracles of our age over the last 100 years has completely revolutionized our entire concept of social justice. We need only to think of what is being done for the aged, the handicapped, the mentally ill, and the welfare children, as compared to what was done, or not done, a hundred years ago. Our society has done this. Our society has made medical care available to the vast majority of the people. Surely that society does not lack the wit, the ingenuity, and the intelligence, as well as the good will and compulsion, to devise procedures to ensure that the legitimate needs of all people making up our society are achieved without resorting to the use of a weapon so crude, so wasteful, so anachronistic, and so unfair to innocent people as the strike has proven itself to be. A device or instrument of this kind is no longer acceptable to our society.

The strike is not a democratic instrument. It is legitimate and we cannot criticize any group of people who have taken this action. If the Parliament of Canada gives people the right to strike, then it must expect that those people will take advantage of that right. Otherwise it would be meaningless. The strike is not a democratic instrument. I believe it is a perversion of democracy. However, our labour groups and others have had to use this means simply because no other acceptable or effective procedure was available to them.

I do not need to remind honourable senators of the simple and obvious fact that the Senate has rights and privileges under the Constitution. It also has responsibilities, a fact which was particularly recognized in recent years when this body initiated major studies of, and inquiries into, important aspects of our whole society—such matters as poverty, taxation, scientific development, mass media, and so on. These inquiries have produced information, and have come to conclusions of incalculable value to our nation and, indeed, to the entire world. We do not reach the millenium overnight, but this does not mean that the work of Senator Croll, Senator Davey and other honourable senators is of no use.

The fact that the Senate is increasingly pursuing these matters is not to be wondered at. One of the first impressions I had when I came to this chamber, and upon looking at the *Parliamentary Guide*, was the reservoir of distinguished Canadians in one field or another. We have here a reservoir of experience and expertise which cannot be found elsewhere in all Canada in this form. This is an obvious fact, which seems to escape our notice.

• (1620)

Consider, for example, the fact that in the field of labour relations, which we have been discussing today, one of our Newfoundland senators, Senator Duggan—who I regret is not present—has spent most of his life wrapped up in the cause of labour as a respected labour leader, in addition to being a respected citizen. We have Senator Lawson, whom we have already heard today and whom I have no doubt we may hear again with respect to some of these matters. He is an active labour leader of the highest calibre in the whole of Canada, and also a member of the Senate. Is there anyone in Canada who has the experience of Senator Goldenberg in mediating and arbitrating great labour issues? Then I think of another of my compatriots, Senator Forsey, who, like Senator Goldenberg, is a man not only of national but international reputation in these matters. They are, incidentally, great friends of labour.

I stated, honourable senators, that an alternative must be found for the strikes which are frustrating and, indeed, paralyzing our society in so many ways. Again, I am not thinking in terms of Canada alone. We only need to look at what happened in one of our mother countries in these last few months to realize the significance of what I am saying. Strikes are frustrating and paralyzing, and they inhibit what should be the legitimate growth of society.

I am going to suggest that here again is an avenue of inquiry in which this historic constitutional body could very well utilize that reservoir to which I referred. Why should there not be a Senate committee of inquiry into the whole field of labour relations, with a specific goal in mind, namely, an alternative to the strike as an instrument of economic policy?

Honourable senators, I apologize for delaying you so long, but I wish to speak of the abuse of financial power in our society. This is a problem which must become of

increasing concern to all of us. It is the abuse of the principle of free enterprise by the big moneyed interests in our society. I realize and appreciate that Canada is as much a victim in this matter as it is an offender.

The abuse of big money—and I will explain what I mean by big money in a moment—results in antisocial behaviour which, in the final analysis, can have a more serious effect on our welfare than does the criminal behaviour of individuals and organized crime groups. Parts of the United States are threatened and pressured by the Mafia, organized groups. They are also threatened by the actions of big money—great respectable corporations, some of the greatest in the world.

How many lives have been blasted, how many children poisoned because the manufacturers and purveyors of medical drugs, of all things—drugs supposed to help people, to save human lives—were willing to put them on the market improperly tested? The historic case, of course—and we remember it so well because it involved a former citizen of Canada—was that of thalidomide, in which manufacturers privately and quietly fought tooth and nail to discourage those whose duty it was to protect unsuspecting mothers and unborn children from the improper use of that drug. We know the pressure that was brought to bear on that woman—who should certainly be included in any hall of fame that Canada may have—a Canadian doctor who advised the authorities and fought against those great powerful interests.

There is an article in the weekend edition of the New York *Times*, a responsible newspaper, which indicates that some of the leading drug manufacturers have been supplying "speed", of all things, to the black market directly and indirectly, in some cases in the United States, and in other cases to Mexican interests who then channelled it back into the United States for criminal use by addicts.

What else but rebellion and hostility could we expect to find in our young people when they became aware a few years ago of the reaction of the largest and wealthiest corporation in the world to the investigations by one individual, when that individual pointed out that the lives of thousands of unsuspecting human beings who had bought cars in good faith were in jeopardy and peril because of lethal defects in those cars? What was the reaction of that great corporation, that great example of free enterprise? It was: "Go to work on that fellow. Find out what you can about him and his private life. See if we can get something on him." Without any doubt in the world, and this came out in the congressional inquiry, the reason behind it was to get something on Ralph Naders private life. "Find out if he is a homo or if he has ever been a found-in in a brothel, so that we can shut him up." That was not specified, but everyone knows that that was behind it. That was the reaction of the greatest corporation in the world. Then we are surprised that our young people are cynical and look askance at a society that would at least condone that sort of thing.

What can we expect from our young people who know that the great tobacco companies of the United States and Canada—and I will choose my words carefully here—have been permitted to spend billions of dollars during the last few years for two reasons. One is to seduce young people into smoking by linking up smoking, cigarettes especially, with romance, glamour, athletic prowess and, of course, sex. They have spent that money in a determined and unremitting effort—I say unremitting because this week they have been at it again—to seduce our children and grandchildren into smoking. These great examples of free enterprise, with billions of dollars at their disposal, are doing just that.

• (1630)

Secondly, they are making every effort to invalidate and discredit the legitimate findings of every learned and scientific body over the past 20 years that has inquired into the harmful effects of the use of tobacco. Such findings have shown beyond any shadow of doubt that smoking is harmful. In saying this, I am not advocating prohibition of smoking or of the sale of tobacco, but investigations have shown that smoking is indeed harmful, and that an excess of it is the main cause of lung cancer, emphysema, and other terminal diseases. These large companies have spent billions of dollars in an effort to discredit those legitimate findings.

Action taken by the United States government last year to prevent tobacco advertising on television represented a major step forward. However, those same companies went ahead and spent $250 million on advertising their products in newspapers, magazines and periodicals. That can be verified by looking at any popular American or Canadian magazine, including *Life* and *Time*.

These large companies admit that they spent last year between $200 million and $300 million in an effort to seduce our children and grandchildren into smoking. They are not trying to seduce those of us who are in our fifties or sixties, but they are interested in the young people. The question which might very well be asked is how much have they contributed towards finding a cure for the disease of cancer which they have helped cause? I do not wish to be morbid, but how much are those companies spending today to ease the lot of the thousands in our hospitals and other institutions who are slowly dying because their lungs cannot supply the oxygen they need. This is an actual fact. I have seen some of these hospital cases with my own eyes. How much have these large companies spent towards alleviating the suffering of those who are in hospitals and institutions as a result of using their products?

Can we expect anything but cynicism and outright rebellion on the part of our young people when they see such atrocities being perpetrated against society by big moneyed interests, with little or no interference from a society that is prepared to send an 18-year-old girl to jail for five years because she smoked a marijuana cigarette?

I do not believe that prohibition of tobacco would be any more effective than was prohibition of alcohol, but no great corporation should be permitted to operate against the interests of society in general. Pressure by legitimate interests have been brought to bear upon some companies which have placed candied drugs on the market, drugs which could kill children. Resistance to pressure that such drugs should be placed in containers which small children could not manipulate easily has been quite incredible.

There is also the matter of defective cars and the pollution of our environment. Big moneyed interests should not

be permitted to continue these activities under the guise of free enterprise or democracy.

We have permitted these major companies to accumulate large amounts of money, which is another way of saying that they have acquired considerable power. Many of them—at times I feel like saying most of them—cannot be trusted not to put harmful and deleterious products into the hands of unsuspecting consumers, including children. For most of them, profit-making takes precedence over their responsibility towards society. In the interests of democracy there should be more control exercised over them.

Honourable senators, my roots lie deep in Newfoundland. My ancestors came there from Devon and Somerset, England, in the 1600s. I have a deep and sentimental attachment therefore to the land of my birth, where throughout the centuries my people have eked out a living despite almost impossible odds. I am proud of having been a vice-president of what was known as the Newfoundland Confederate Association. The president of the association was J. R. Smallwood. I take pride in having helped persuade my fellow Newfoundlanders to become part of the Canadian nation 25 years ago. I have never regretted doing that.

On two occasions it has been my privilege to be vice-chairman of the Canadian delegation to the UNESCO conference which is held every two years in Paris. To date all but two of the nations of the world have been represented at those conferences, and possibly all but one will be attending the next conference. As I have met with representatives of 130 countries, two facts have emerged. First, no nation is held in more universal respect than is Canada; secondly, it is the hope and expectation of other nations that Canada, which so often in the past has donned the mantle of leadership, will continue to play an increasingly important role in the future.

Hon. Mr. Sullivan: Honourable senators, I am not rising for the purpose of adjourning the debate. I wish to interject a point of view in order that the honourable senator who has just spoken may feel reassured.

• (1640)

Senator Rowe postulates two conclusions. First, he believes in the legalization of marijuana, and, secondly, he is against heroin. Before I come to a remark which he will be interested in I should like to know if the basis for his first conclusion is a personal opinion, or on what does he base his belief in the legalization of marijuana?

Hon. Mr. Rowe: Honourable senators, I hope I made it clear in my remarks that I am not a specialist. I do hold a doctorate but it is not a doctorate in medicine or in any directly related field. I have been associated with young people in various capacities—for example, as Minister of Education on two occasions, as a university lecturer, and in many other ways. As a result of these associations I can say I have some knowledge of young people.

I have been following this marijuana question, as I think all other interested parties have, for a number of years. I have read everything I could with respect to it, and I have discussed it with some world authorities.

Had I been asked this question three or four years ago my reply would have been, "I do not know what the solution is." Three years ago I did not know whether or not the United States should be involved in the Vietnamese conflict. However, opinions do change over the years and some of us have changed our opinion with respect to the Vietnam war as some of us have changed our opinion on this matter of marijuana. The conclusion I have come to is that, all things considered, marijuana ought to be legalized.

I wish we did not have marijuana. I wish we did not have alcohol or tobacco. I am not a teetotaller or an advocate of prohibition. I used alcohol and tobacco for many years and my sons, I regret to say, are users of tobacco. The point is that we do have these problems and we have marijuana, and we must live with them. The figures vary somewhat, but some indicate that as many as 12 million young people in the United States alone have used marijuana, and I presume a comparable number in Canada have. It is a problem we have to live with, and my feeling, having looked at all the evidence and interpreted it as best I can, is that the time has come when marijuana ought to be legalized.

Hon. Mr. Sullivan: Thank you, senator. What I wanted to elicit was whether or not you are basing your conclusion on the recent findings of the commission in Washington. That commission, by the way, was populated with sociologists and psychiatrists. In a report to be published in the near future, the authoritative body of the American Medical Association is drawing conclusions entirely opposite to what has been stated. I thought perhaps you might be interested in that.

Hon. Mr. Rowe: In all fairness, I should say I am aware that the majority of medical opinion up until now has been against the legalization of marijuana. I am wondering, however, if medical opinion is likely also to be against the use of alcohol and tobacco.

Hon. Mr. Sullivan: I hope so, but I myself have used both.

On motion of Hon. Mrs. Heath, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 2, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1971, pursuant to section 10 of the Eastern Rocky Mountain Forest Conservation Act, Chapter 59, Statutes of Canada, 1947.

Report of the Freshwater Fish Marketing Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended April 30, 1971, pursuant to section 33 of the Freshwater Fish Marketing Act, Chapter F-13, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report on the sale of wheat to the U.S.S.R. made to the House of Commons by the Minister responsible for The Canadian Wheat Board, together with a press release relating thereto.

FOREIGN AFFAIRS

REPORT OF COMMITTEE EXPENSES TABLED

Hon. John J. Connolly, for Hon. Mr. Aird, Chairman of the Standing Senate Committee on Foreign Affairs, pursuant to Rule 84(3), tabled a report of expenses incurred in connection with its study "Foreign Policy for Canadians: Pacific", during the Third Session of the Twenty-eighth Parliament.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 7, 1972, at 8 o'clock on the evening.

Motion agreed to.

SCIENCE POLICY

CONSIDERATION OF VOLUME II OF REPORT OF SPECIAL COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of Volume II of the Report of the Special Committee on Science Policy, tabled in the Senate on Thursday, February 24, 1972.

• (1410)

[*Translation*]

Hon. Maurice Lamontagne: Honourable senators, first, as chairman of the Special Committee on Science Policy, I want to express my gratitude to members of the committee, and particularly to those of the steering committee, to Senator Cameron, vice-chairman of the main committee, Senator Grosart, chairman of the steering committee and Senator Thompson. My colleagues, working in close co-operation, devoted much time to the common task which culminated in the publication of Volume II of the committee's report. I also want to stress the invaluable contributions of Mr. Philip Pocock, our research director, Mr. John Kettle, who edited the English version, Col. Jacques Ostiguy, who carried out the functions of administrator of the committee and those who, anonymously and voluntarily, made most useful suggestions and criticisms.

I finally want to thank the media in general and more particularly scientific editors, to whom we are mainly indebted for the wide distribution of the content of Volume II of our report. No doubt partly because of that publicity, like others of my colleagues, I have been literally swamped by large numbers of invitations from various groups, academic, professional and industrial, who want to hear more about the work of our committee. Of course, my colleagues and I shall be unable to accept all these invitations—particularly now that, as Senator Martin mentioned, the Senate is in session—although we consider that such meetings are highly beneficial and contribute to more ready acceptance of our recommendations. I also want to point out that there have been favourable comments on our Volume II in foreign scientific journals, for instance, in the United Kingdom and in the United States. I wanted to make a brief reference to these articles and invitations to show that the response to our report has, on the whole, been very favourable. Other members of the committee will have the opportunity to speak more fully of this response during the debate.

[*English*]

What is even more important is the impact that our work has already had on government circles. I am personally convinced that without the publication of Volume I, the Ministry for Science and Technology would not exist today. I have been pleased to note during recent months that the new ministry has been able to recruit part of the staff it needs and to define its mission more precisely. Its beneficial influence throughout government departments and agencies is already being felt.

Moreover, I note that Volume II has been subjected to active and favourable consideration by many government departments and agencies since its release on January 18. Some of them have already acted on one of our specific recommendations and have appointed a science policy adviser for their own department or agency. I expect that the Economic Council will soon accept in principle another of our proposals and decide to establish a special committee which will be responsible for initiating multidisciplinary studies in the long-term future in a Canadian and international perspective.

The Minister of State for Science and Technology, the Honourable Alastair Gillespie, in a speech in the other place last Monday, stated:

> The Lamontagne committee report "Targets and Strategies for the Seventies", the second report of the committee, goes into rather more detail with respect to the contracting-out principle. I should like to tell the house that the Government of Canada supports the contracting-out principle so far as research and development is concerned, and will seek to advance it wherever possible.

The impression I got from reading the Speech from the Throne is that these few illustrations are just the beginning of the substantial impact that Volume II will have on the development of a coherent and systematic science policy for Canada. Let me give you some examples which appear, to me at least, to justify that statement.

We stated in the conclusion of Chapter 16:

> This broad review of the public environment surrounding industrial innovations and R and D activities has shown much that is rather unfavourable at present in Canada. Most of the policies we have examined produce side effects that are harmful to the industrial innovation process . . .

In the Speech from the Throne we can read:

> Co-operation with the business and industrial communities will be extended even further to ensure a favourable business climate.

Three specific aspects of that climate are mentioned. First, the encouragement of secondary manufacturing industry, especially through trade policy. In that respect the Speech from the Throne states:

> The government will continue to develop programs to strengthen secondary industry . . . Trade negotiations will seek to enlarge opportunities for Canadian manufacturers and the consultative machinery with the European Economic Community and its member states will be strengthened.

In chapter 16 of Volume II the committee states:

> . . . government policies should be designed to encourage the secondary manufacturing sector to use its stronger innovating capacity to penetrate international markets.

Also in chapter 16, under the head Trade and Tariff Policy, we state:

> It is time Canada re-examined its position. Instead of preoccupying itself with obtaining the most favourable entry into foreign markets for raw materials and primary products, the objective should be to reduce obstacles to the sale of Canadian manufactured products in traditional markets and to develop new markets elsewhere . . . The committee proposes that the principle of equal rates of tariff on manufactured goods should become the cardinal point of our future trade negotiations . . . Several members of the European Economic Community would refuse Canada's full participation, though a special arrangement on industrial products along the lines of the arrangements being discussed with Sweden and the other countries could be explored.

Thus, the parallelism between the two documents is striking with respect to the emphasis on secondary industry, a new orientation of trade policy and the exploration of a new trade alignment with the European Economic Community.

Secondly, there is the problem of competition policy. The Speech from the Throne states:

> A further imperative in the structuring of strong, internationally competitive industry is the development of a modern and workable competition policy. The development of such a policy, designed to achieve an efficient and innovative economy, capable of rapid growth and dynamic change, must proceed through consultation with all sectors of Canadian society.

• (1420)

In its report the committee expressed its concern about government proposals made last fall in this area. We said:

> . . . the criterion of consumer benefit was too narrow a basis for the proposed appraisal of business arrangements and practices, which must include their effect on exports, incomes and jobs. We have here another example of how the Canadian government, in its pursuit of a specific mission—the protection of consumers—can attempt to serve this purpose in isolation, without taking proper account of the imperatives of a broad industrial and technological strategy.

It appears that the government is now prepared to take these imperatives into account. It accepts that the criterion of consumer benefit is too narrow when it states that competition policy is:

> . . . designed to achieve an efficient and innovative economy capable of rapid growth and dynamic change.

This was precisely the essence of the committee's message.

Thirdly, there are the provisions of the Canada Labour Code regarding technological change which were introduced last fall. With respect to these provisions we stated:

> Since the committee finds that innovation in Canadian industry is essential to economic growth and should not be blocked, it urges that collective bargaining in the matter of technological change should not relate to the introduction of the proposed change as such, but to the procedures and measures necessary to assist the employees affected to adjust to the effects of the change. Such measures call for action by the employer, by representatives of the employees and government.

It is interesting to note what the Speech from the Throne has to say in this respect:

> A new Canada Labour Code, reflecting the many representations received in past months, will be introduced . . .

However, the most important excerpt from the speech, in so far as Volume II is concerned, is the following:

> Our economy is dependent, as are the economies of all industrialized countries, on the imagination of entrepreneurs and their use of research and innovation, as well as upon a rational industrial strategy. You will be informed in months to come of government proposals for improved policies in these areas which will be of immense importance to the long-term development of our country: of policies for the use of science and

technology designed to contribute not only to industry but the qualitative improvement of the life of Canadians, of an industrial strategy prepared for the peculiar character of the Canadian economy.

The committee has issued in Volume II a direct challenge to:

> . . . the imagination of entrepreneurs and their use of research and innovation.

We said in Chapter 15:

> For the first time in our economic history we must become an innovative nation . . .

because

> technological innovation is recognized as an important determinant of economic growth.

We stated later:

> Top management here must change its philosophy and attitudes. It must forget the past and develop a new outlook and strategy aimed at improving innovative capacity . . . Industry must find itself a new vocation in the drastically changing world trading patterns of the last part of the 20th century.

The report goes on to say:

> The committee's recommendations and suggestions will not only require a structural revolution in many private institutions but also a conversion of their leaders to a new mentality and new attitudes. Canadian society must become collectively more creative and innovative. This large scale operation must be undertaken primarily by the private sector.

Moreover, the committee pointed out that this Canadian innovation operation could not "be successfully carried out by the private sector alone." We concluded that:

> Canada needs a new national policy—a new national industrial strategy—and the Canadian government should use all the weapons at its disposal to implement it . . .

Finally, we expressed our belief that:

> The new industrial and technological strategy to be implemented by the Canadian government should create larger industrial units, encourage them to innovate, and build on our raw material base more effectively by requiring further processing in Canada.

In other words, as mentioned in the Speech from the Throne, we recommended "an industrial strategy prepared for the peculiar character of the Canadian economy."

My only intention in mentioning this close parallelism between the new declared objectives of the government and the main message contained in Volume II of the committee's report was to give another illustration, following those given by the Leader of the Government in this chamber, that the Senate, through its various committees, is providing a most useful service to the country and to show that a well-known columnist seriously misinformed the Canadian public when he wrote that "in terms of official policy, the recommendations of Senate committees are not worth the paper they are printed on."

The precise nature of the proposals announced by the government has not been defined yet. The Speech from the Throne states that "the basis of each will be spelled out as the session proceeds." I am convinced that as these specific proposals are submitted to Parliament, the committee will want to scrutinize them in the light of the recommendations and suggestions contained in Volume II.

The members of the committee have agreed that we should try to discuss the content of our report as systematically as possible and that four of us should be assigned one broad area each to cover specifically at the beginning of the debate. Afterwards, other members of the committee and other honourable senators will be completely free, of course, to pick any topic they wish in connection with Volume II. This arrangement could work very well because our report covers four broad areas which I propose to outline briefly in the order in which they will be presented in the first phase of the debate.

First, we have devoted chapter 14 to the important topic of basic research, both curiosity-oriented and mission-oriented. We propose a new target and strategy for this type of R and D activity, and some organizational changes which we believe could substantially improve our national effort in this area. My speech will be devoted mainly to this topic.

Secondly, we have devoted three long chapters to industrial R & D activities leading to economic innovations. Senator Grosart, the chairman of the steering committee, will cover this broad and important area. I will not attempt to sum it up because even a summary of our findings and recommendations would be too long.

Thirdly, another important theme of the report is the growing impact that science and technology will have on the future of Canadians and mankind as a whole. Although we present the two faces of technology, we are rather pessimistic about the long-term future, especially if we let present trends continue to prevail. As this debate will show, we are not alone in being pessimistic. We feel, however, that it is not too late to act. This is why we make a special plea to Canadians to invent their own future. To achieve this, the study of the future must be greatly intensified in our country and the approach to be used must be basically multidisciplinary, involving all the scientific disciplines. The committee is also firmly convinced that our commitment to the future should not be left to experts alone. It must be collective and action-oriented. Senator Thompson will further develop this other general theme of the report and explain the specific proposals that the committee has made in that respect.

• (1430)

Fourthly, we have been convinced all along that a rational science policy had to be conceived and formulated not only in a national but also in an international perspective. In other words, we must know as precisely as possible what research and development projects and programs are carried out in Canada and what results they produce. Moreover, it has been estimated that our country could at best contribute about two per cent of the world research and development efforts.

We should try, therefore, to know what is being done in this whole area by other industrialized nations, not only to

manage our own national efforts more efficiently but also to use for our own national benefit what has been discovered or invented elsewhere.

This broad topic is a recurring theme of the whole report, but it is covered more specifically in chapters 12, 13 and 17. Senator Cameron, the vice-chairman of the committee, has developed a particular interest in this area and will devote the main part of his speech to it.

Such are the broad topics contained in Volume II and the approach we intend to use in submitting this report to this chamber.

The committee has devoted part of chapter 12 and part of chapter 14 of Volume II to the concept, the specific features, and the organization of basic research in Canada. The target and the broad strategy that we propose for this area correspond to the views presented to us during our hearings. I will sum them up briefly.

We state that it is necessary to carry out basic research in Canada in order to maintain a national scientific capability and to contribute as an advanced nation to the extension of the international pool of basic knowledge. Numerous empirical studies show, however, that the results of basic research are free goods easily accessible to all nations through scientific publications, and that a long time interval is usually required before scientific discoveries are transformed into successful innovations.

Dr. G. A. Harrower, Dean of the Faculty of Arts and Sciences, Queen's University, told the committee that this process "requires something like a 25-year lead time." Dr. Herzberg confirmed this view in an interview which he gave after he received his Nobel Prize. When he was asked about the practical results of his lifetime work in the field of molecular spectroscopy, he is reported to have said that he could see a vague way for application in that knowing more about free radicals one would know more about chemical reactions, and knowing more about chemical reactions should assist the chemical industry. He remembered that there was one case of practical application of his discoveries but he had forgotten the details.

During our hearings it was repeatedly stated that the relative share of the Canadian research and development effort devoted to basic research was too high but nobody, even in industry, recommended that this imbalance should be corrected by reducing the level of public support in this area. Thus our specific recommendation that the expenditures allocated to basic research should be gradually raised to roughly $400 million reflects a broad Canadian consensus. In relative terms, it would mean that Canada's contribution would be more in line than it is now with that of most other advanced nations, although, in real terms, our quantitative effort would not increase significantly after having been deflated by the inflation and sophistication factors.

We also recommend that in attempting to reach this target a strategy emphasizing quality rather than quantity be adopted. In order to develop excellence, we suggest a better program of post-doctoral fellowships awarded for a maximum period of five years. This trial period would give an opportunity to young Canadian scientists interested in basic research to develop and demonstrate their ability in the area of scientific discovery. We propose that research grants should be restricted to applicants who have met international quality standards in their past performance. This is the only way to improve the Canadian contribution to the international scientific pool. The application of such a strategy would mean that a smaller number of Canadian scientists would receive public support to carry out basic research, but that the applicants who would meet the requirements of excellence could be more generously rewarded and subjected to less administrative controls. Our approach corresponds exactly to an observation made by Dr. Herzberg when he said: "There is a pyramid and not every one will come to the top." He also pointed out that there were many useful tasks for scientists, including administration, other than basic research. This is precisely why we have insisted so much in our report on excellence when scientific discovery was involved and why pure scientists should remain free when they meet this criterion of excellence.

On the whole, the committee's proposals regarding targets and strategies for basic research appear so far to have received widespread approval. However, our recommendations dealing with the administrative reorganization of public support and of government intramural activities in this area have met with greater resistance. This was to be expected, of course, because proposed organizational change is usually interpreted by those affected by it as a condemnation or a destruction of the past. We said in our concluding chapter:

> We are also aware that our proposals will genuinely disturb some dedicated Canadians that have served Canada well in the past. Our intention in putting them forward, though, was not to preserve the past, however great it may have been, but rather to prepare the future.

• (1440)

And we noted with approval the criticism made by Professor E. Miles of Princeton University when he said:

> Unfortunately, governmental organizational structures and systems have a peculiar tendency always to be out of date. Organizational forms never catch up with the demands of the times.

Most of our critics—and they have been few up to now, although some of them have been quite outspoken—have taken an ambivalent position. They agree that Canada's past performance in the research and development area has not been very productive. For instance, one of our critics said:

> We have built beautiful race tracks, but we have no horses, and nobody has had a chance to bet.

On the other hand, he apparently wants to preserve the organizational patterns which have created this undesirable situation, and which can only continue to build more "beautiful race tracks." He stated that although Volume II was "heading in the right direction, it does wrong to the existing organizations." On that ground particularly, he found it "hard to be constructive about the report." I personally find it hard to reconcile the need for a new direction of our national R and D effort with the preservation of the organizational status quo. The same critic is also reported to have said, "Pruning is better than cutting down and replanting." I subscribe to that statement, and I

would now like to show that our proposals regarding organizational changes involve a lot of pruning, but very little "cutting down and replanting."

Let us look, for instance, at our proposal regarding the creation of three granting foundations to be responsible mainly for the development of a capacity for and the support of curiosity-oriented research in universities and similar institutions. These foundations—we prefer not to call them councils because they would have no advisory function—would cover the physical sciences, the life sciences, the social sciences and the humanities. They would operate under a Canadian Research Board, and they would report through the Secretary of State.

I propose to deal first with the organization of federal support for the social sciences and the humanities. At present, this responsibility is assigned to the Canada Council which also offers assistance to the arts. This arrangement was made in 1957, and it was more practical than logical. Indeed, it was mainly justified by the fact that the council's annual budget was only about $3 million at that time, and that the administrative cost of having two separate bodies to allocate this small budget would be too high. This practical justification does not exist any more today. The Canada Council now devotes about $20 million annually to the social sciences and the humanities. Moreover, experience has shown over the years that the support of research in the social sciences and the humanities raised specific problems which were quite different from those related to the support of the arts. For instance, the decision to finance the development of an econometric model is hardly comparable with the granting of assistance to an orchestra. Thus faced with this dichotomy, the council was forced to divide its dual mission, to set up two different kinds of advisory committees and, for all practical purposes, to operate under two separate budgets.

Viewed in that perspective, the recommendation made by the committee to create a special foundation for the social sciences and the humanities has the simple effect of making explicit a division which is already implicit in the organization of the Canada Council as it exists today. It is not a destruction of the past, but the formal recognition of an evolution which has already taken place. In addition, the committee's reorganization plan implies that the social sciences will be brought closer to other scientific disciplines, which is a distinct advantage which I shall explain later.

This proposed change, therefore, can be described as pruning rather than cutting down the tree. It is the result of past growth and progress which now permits a better division of labour. It was recommended by the Macdonald group, composed of distinguished academics, in a report prepared for the Science Council and the Canada Council and entitled, "The Role of the Federal Government in Support of Research in Canadian Universities". This report said:

> The mandate of the Canada Council to support research in the humanities and social sciences should be terminated.

Moreover, this separation is supported by the representatives of these two groups of disciplines. The executive committee of the Humanities Research Council of Canada states:

> We recommend, therefore, that the humanities and social sciences division of the Canada Council should be recognized more formally as the funding organization for the humanities and social sciences, and put on an organizational footing equal to that which exists for the natural, physical and health sciences. We therefore find ourselves in general accord with the recommendation of the Senate Special Committee on Science Policy that a separate 'foundation' for the humanities and social sciences be established provided that the expertise and the administrative personnel of the humanities and social sciences division of the present Canada Council could be utilized by the new body.

I fully agree that the expertise developed by the Canada Council over the years should not be lost.

Hon. Paul Martin: What is the authority for that?

Hon. Mr. Lamontagne: This is the executive of the Humanities Research Council of Canada, which is a private body representing all the humanities interested in research in this field in our country.

The executive committee of the Social Science Research Council of Canada makes the following statement:

> The Canada Council in its present form is no longer a satisfactory body for the social sciences. It must be changed. The Canada Council should be split in two distinct bodies, one for the humanities and social sciences, and one for the performing arts. The Humanities and Social Sciences Division should be absorbed by a humanities and social sciences research council as is now proposed. At present, the Humanities and the Social Sciences Division is responsible to an appointed council, many of whom are not familiar with the social sciences or humanities. When one compares the nature of this appointed council with that of the NRC or the MRC, one is struck by the absence of professional expertise in the appointed membership of the Canada Council.

• (1450)

And this other council continues.

> Surely it is time that the important role played by the Social Sciences and Humanities Division be recognized and that the division be put on an equal footing with the physical and health sciences which have in their own appointed councils (NRC and MRC) a high degree of professional competence and expertise . . . A separate 'foundation' for the humanities and social sciences, such as is recommended by the Senate Special Committee (Volume II page 432), would meet this difficulty.

Thus the Macdonald group has proposed the separation of the Canada Council. The two main private bodies representing the social scientists and the humanists in Canada have come to the same conclusion. The Canada Council itself, in its brief to the committee in 1969, suggested bringing "all the sciences together in fuller partnership", although it expressed the view then that this idea might be premature. Thus, the committee's recommendation represents the consensus of those who have studied the problem in depth, and who are directly

involved with research in the social sciences and the humanities.

Another proposal made by the committee in the same area is to separate the National Research Council's granting function from its research operation. This is not a new issue. Back in 1951 the Massey Commission indicated that there was already some concern in Canada about the incompatibility of these two functions. In its review of Canada's science policy published in 1969, the OECD's examiners again echoed these worries when they wrote: "And yet the constant, and sometimes conflicting criticisms of this body", namely, the NRC, "which are heard throughout the country convince us that it is high time its functions were reviewed." The examiners recommended that the support of curiosity-oriented research in universities and similar institutions should be separated from the council's laboratories and assigned to a special body.

In the same year the exhaustive study of the Macdonald group came to the same conclusion and proposed that:

> . . . the National Research Council be reconstituted so as to have as its sole responsibility the support of scientific and engineering research in universities and related institutions.

The Macdonald study gave several serious reasons, which I will not repeat here, to justify their recommendation. They are indicated at pages 103 and 104 of that report. Our committee was convinced by the arguments put forward by the Macdonald group and went on to say:

> In addition to the reasons given by the Macdonald report to support this suggestion, the committee was told that NRC's board devotes about 90 per cent of its time and attention to the distribution of awards and grants, which means that the facts of life have already imposed a separation *de facto*, thus leaving NRC's laboratories without the direction Parliament thought they should have.

I was told recently by a spokesman for NRC that, since 1970, 13 per cent of the board's time has been devoted to the laboratories. In my view, this recent improvement is hardly satisfactory.

Hon. Mr. Martin: May I ask if the NRC gave evidence on this point before the committee?

Hon. Mr. Lamontagne: I do not think that they gave evidence on this specific subject before the committee. However, I have received correspondence from members of the board of NRC to that effect, and this later figure that I have given came directly from an employee of NRC, writing to me on behalf of the President of the NRC, Dr. Schneider. So I think that the evidence, while it was not given at our hearings, is pretty solid.

Finally, when Dr. Solandt commented on Volume II, he is reported to have said, according to the *Globe and Mail* of January 22, that "he agreed that NRC's function as a fund-granting body to universities should be removed." Thus, here again, the committee's recommendation has already been made or accepted by most of the expert and impartial observers, who have been asked to present their views on this problem. The question which comes to my mind is: How many times will this recommendation have to be repeated before it is implemented?

The third proposal made by the committee is that the Medical Research Council be transformed into a foundation responsible for the support of all the life sciences in universities and similar institutions. The present arrangement whereby that council is restricted to the support of medical research, and NRC has the responsibility for assisting curiosity-oriented research in the other life sciences, including biology, is certainly confusing and illogical. It can only lead to overlapping and imbalances. We quoted Dr. E.W.R. Steacie, the former president of NRC, who condemned the organization of biology in universities as being wrong and harmful. We believe that his criticism also applies to the present organization of federal support for biology and the other life sciences and that the need for the organizational change proposed in our report is so obvious that it hardly requires further justification.

I would like to emphasize again that our proposals regarding the creation of those three foundations do not represent a destruction but rather a normal extension of the past. They are inspired by recent growth and progress which have put the Canadian government in a position to organize a better division of labour according to more functional lines. For instance, to show the progress made in this area in the last few years, in 1957 R and D expenditures spent in universities and other non-profit private organizations and funded largely by the central government amounted to about $30 million, but in 1969, about twelve years later, they had risen to approximately $325 million. Our recommendations simply recognize this spectacular increase and the organizational change which it necessitates.

• (1500)

I come now to our proposal regarding the creation of a Canadian Research Board. This board would be composed of a full-time president with a small secretariat, and the chairmen of the three foundations. In our report we stress the necessity for those foundations to remain autonomous in the distribution of their funds in their own fields. However, it is widely felt that they should be brought closer together to prepare their respective budgets, to share common services in order to reduce their administrative costs, and to promote multidisciplinary programs. The role of the proposed board would be to achieve these aims.

The need for such restricted integration has been expressed by many people. For instance, the Canada Council, in its brief to the committee, stated:

> Whether or not all aid to university research comes under a single minister, the various agencies of the government which share this responsibility will have to develop closer and closer liaison in order to ensure complementarity between services, and consistency between programs, and in order to foster interdisciplinary undertakings.

The Macdonald group recommended that:

> . . . federal research councils be organized in such a manner that, when taken together, their terms of reference will encompass all disciplines recognized by Canadian universities . . .

and that:

> . . . there be established an intercouncil co-ordinating committee to be composed of the presidents of the three councils, together with such staff and advisors as they deem necessary.

The group also recommended the creation of:

> . . . a Canadian universities research advisory committee to make available to Treasury Board advice on the allocation of public funds for sponsored research in Canadian universities.

I believe—and I am sure the committee agrees with me—that this advisory committee proposed by the Macdonald group, working through the back door, would seriously reduce the authority of the foundations and would not have the same expertise as they would have to give advice on the allocation of public funds.

Hon. Mr. Isnor: What would be the estimated cost of setting up this proposed board?

Hon. Mr. Lamontagne: We believe it would not cost any additional money. It would be composed of the chairmen of the three foundations that we have mentioned, with a permanent president of the board. Its objective would be to organize the common services of the three foundations so that the cost of administering them would be reduced. The proposed board would not cost any more money. On the contrary, it would enable the government to effect savings. We feel that the proposed board, with an impartial president, would be in a much better position to fulfil that role and to ensure effective co-ordination between the foundations than if the three chairmen were left alone as equals to decide on controversial issues.

While the Macdonald group relied on a co-ordination mechanism, which in practice seldom works effectively, the OECD examiners went to the other extreme and recommended complete integration of the granting function. They said:

> We are inclined to suggest that the balanced growth of research in Canadian universities would best be served by the establishment of a single comprehensive grants agency, combining the functions at present exercised by the NRC, the Medical Council, the Canada Council . . .

The committee believes that this complete integration is unrealistic. While, in our view, there should be partial integration to deal effectively with common problems, the fact remains that the support of research in the physical sciences, the life sciences, the social sciences and the humanities raises enough different issues to justify three separate foundations. Thus, the board proposed by the committee stands between the two extremes recommended by the Macdonald group and the OECD examiners. It provides a more effective mechanism than mere co-ordination to ensure closer liaison and the solution of common problems. At the same time, it recognizes the specific requirements of the three main categories of scientific disciplines that full integration into a single agency would tend to ignore.

The committee has recommended that the three foundations and the board should report through the Secretary of State. At present, NRC reports to the president of the Treasury Board, the Medical Research Council to the Minister of National Health and Welfare, and the Canada Council to the Secretary of State. This arrangement certainly does not provide for close liaison and more balance between different areas of support. We have not yet found anyone prepared to defend this awkward system. There seems to be a consensus that if the three foundations and the board are to be created, they should report through the same minister.

Hon. Mr. Connolly (Ottawa West): Will the honourable senator explain why the reports of the three foundations should be made to the Secretary of State rather than to the Minister of Science and Technology?

Hon. Mr. Lamontagne: I was about to deal with that very issue. As I said, there seems to be a consensus in Canada that the board and foundations should report to a single minister. The committee has suggested that the minister should be the Secretary of State. Others have proposed the Minister of State for Science and Technology.

We justified our proposal by arguing that within the Canadian government the Secretary of State was already the minister responsible for university affairs, and that it was therefore logical for him to have the ministerial responsibility for federal funding of curiosity-oriented research in universities. This is a pattern which has been found useful in many other countries and which has prevented interference with the allocation of funds from ministers having a mission close to the curiosity-oriented activities being supported.

It has been argued, however, that this arrangement would not be practical in Canada, because it would give additional duties to a minister who already had extensive responsibilities. My own experience, as former Secretary of State reporting for the Canada Council, has been that this specific duty did not require much time, provided that the principle of ministerial non-interference with the detailed allocation of funds was preserved.

• (1510)

The only other alternative which has been put forward would give this responsibility to the Minister of State for Science and Technology. Very early in its discussions, the committee rejected the idea that the central machinery charged with the broad formulation and control of science policy should be directly responsible for any government agency carrying out intramural R and D programs or supporting extramural activities. This is a basic lesson that our study of Canadian history and the experience of other countries has taught us. If that central machinery is to achieve its essential mission effectively, it must preserve by all means its impartial position and avoid any real or apparent conflict of interest.

The Minister of State for Science and Technology, with the advice of his staff, will have to pass judgment on budgetary proposals approved by his colleagues. He should not be placed in a position where he would have to appraise and judge what he would have already approved, if he were directly in charge of some government intramural or extramural R and D programs. The committee arrived at this conclusion before the OECD report on Canada's science policy was published. Its views on this matter were reinforced, however, when the OECD examiners recommended the appointment of a

Minister for Science "without departmental responsibility."

Hon. Mr. Martin: How many member states of the OECD have separate ministries for science? I know Britain has one.

Hon. Mr. Lamontagne: It varies considerably from one country to another, but I believe most members of the OECD have a ministry for science dealing with the granting of moneys to universities.

Our recommendation respecting the proposed foundations and the Canadian Research Board does not mean that the Ministry of State for Science and Technology would have nothing to do with them. On the contrary, once their budgets have been approved by the Secretary of State, the Ministry would then have to review and pass judgment on them in the light of the broader targets and strategies defined for the Canadian government's participation in the overall national R and D effort. This two-stage ministerial review is essential, if specific needs are to be promoted and appraised in a broader perspective, in order to arrive at a coherent and balanced policy for science, technology and innovation. In other words, microscopic and macroscopic evaluations must complement each other.

I now come to the last section of my speech, which will be devoted to basic research performed by the Canadian government. While we feel the bulk of basic research done in Canada—let us say about 70 to 75 per cent to illustrate the order of magnitude—should be performed by universities and similar institutions, we are also convinced that government agencies have a complementary but important role to play in this area. Our report contains the following observations related to that role:

First, we acquired the impression that the government as a whole was performing too much basic research, and as a result consideration should be given to the transfer of some of it to universities.

Secondly, we stated that basic research in biology, medicine and, more particularly, the social sciences had been relatively neglected as compared with the physical sciences.

Thirdly, we asserted that current intramural basic research activities were often too dispersed and did not allow for enough multidisciplinary programs.

Fourthly, we said that the dispersion of basic research was an inducement for some agencies to neglect their practical mission.

On the basis of these observations, which to my knowledge have not been challenged, we recommend the creation of three research institutes, namely, for the physical sciences, the life sciences and the social sciences, which would operate under the umbrella of a national research academy. This academy could be called the National Research Council, if there is a general desire to retain this historic name. In outlining the role of the academy and its three institutes we emphasize that they should carry out "most basic research activities of the Canadian government." This would not entirely preclude other public agencies with practical missions from performing some mission-oriented basic research. We also recommended that "a substantial portion of the work of the institutes be performed at the request of government agencies and private firms on a fee basis." We did not say that these institutes should be prevented from doing curiosity-oriented basic research, or even what Dr. Steacie used to call "long-term applied work with no specific objective."

While we used careful language, our message was crystal clear. Our intention was to concentrate in those institutes the bulk of basic research performed by the Canadian government to complement what universities did not do, and to meet the requirements of other mission-oriented public agencies. We expect that the immediate result of this proposal would be that the academy, or the National Research Council, would do more basic research than at present, even the physical sciences, and it would be in a position to tackle all kinds of multidisciplinary programs which it cannot do now. It would also involve the transfer of scientists now doing basic or long-term applied research in mission-oriented agencies to the academy or council where they would find a better climate to continue their work. A complementary recommendation provides for the transfer of National Research Council's laboratories dealing with specific and short-term industrial problems related to manufacturing to a new complex called the Canadian Industrial Laboratories Corporation.

We were surprised at the reaction which this proposed reorganization created in a few circles. It was said that we wanted to destroy the National Research Council and that in the new academy or council there would be no place for such a great scientist as Dr. Herzberg, and that we wanted to separate basic research from applied research.

Hon. Mr. Martin: He also took the same position.

Hon. Mr. Lamontagne: I, of course, reject the first two allegations as being completely unfounded. The purpose of our recommendations in this area is to create within the Canadian government a great centre of excellence for basic research which would be unique in the world, and which would faithfully reflect the dream of Dr. Tory and Dr. Steacie, two very distinguished past presidents of the National Research Council.

• (1520)

Indeed, if we go back to the memorandum prepared by Dr. Tory in 1932, when he was president of NRC, and which we reproduced as an appendix to chapter 3 of Volume I, it is quite clear that what he really wanted was to concentrate in NRC the great bulk of the basic and long-term applied research carried out by the various government agencies. It is also easy to see how Dr. Steacie envisaged the main role of NRC. He wrote, for instance:

> As far as the National Research Council is concerned, the list [of activities] includes fundamental work, long-term applied work with no specific objective, work on specific industrial problems, short-term industrial problems (i.e. ad hoc investigations), investigations for the services, consulting, testing, specifications and miscellaneous inquiries. All of these are of importance, but it is essential, if the organization is to develop any reputation or scientific self-respect, that the ad hoc problems and routine inquiries, shall not be allowed to force real research out of the door. It is very easy for this to happen, and in the case of many laboratories of similar type in other countries, it has happened.

He went on to say:

> In my view, at least as far as the National Research Council is concerned, long-term investigations, fundamental or applied, must constitute the major effort of the laboratories, if they are to keep the scientific reputation they have earned.

We believe that that fear expressed by Dr. Steacie now represents a real danger, and that NRC's recent attempts to give more attention to what he called "short-term industrial problems" might "force real research out of the door." One of the reasons why the committee recommended that what Dr. Steacie described as "ad hoc investigations" should be transferred to the proposed Canadian Industrial Laboratories Corporation is precisely to make sure that good basic research will not be forced out of the door, as Dr. Steacie feared.

A second reason is that if the proposed academy or council is to increase its intramural activities, in basic research and "long-term applied research with no specific objective," as the committee recommends, and if at the same time NRC were to expand its effort to solve "short-term industrial problems," it might well become too big an organization. This is another danger that Dr. Steacie feared when he stated:

> One must also try to avoid the stifling effects of bigness. The tidy mind whose ideal is "one big organization" is the worst foe of originality, initiative, and scientific progress.

We have also been criticized for wanting to separate basic research from mission-oriented applied research. I believe that this criticism is unjustified for two reasons. First, if bigness is to be avoided, the long sequence of the innovation process, beginning with basic research and ending with the launching of the innovation, must be broken at some stage at the organizational level. Thus the question arises: Should the break be made between basic research and mission-oriented research or between the latter and development work leading to innovations? We have shown, especially in chapter 12, that there is a wide consensus of opinion among experts in this field that the link between basic research and innovation is not direct and immediate.

An article which has just been published, entitled "Success and failure in industrial innovation," has again confirmed this view. That article is a summary of the Report on Project Sappho soon to be released by the Science Policy Research Unit at the University of Sussex in Great Britain. It states:

> It has sometimes been suggested that a proportion of basic research adds to the strength of an R and D department. In about half our cases, basic research was being performed in the firms (mainly in chemicals) but there was only a modest association between successful innovation and the performance of basic research by the firm. Casimir and others have suggested that basic science is a source of innovation that cannot be ignored. The Sappho results do not contradict this but indicate that it need not necessarily be conducted within the firm.

This conclusion indicates again that if an organizational separation has to be effected, as it should be in most cases, it is much more useful to keep mission-oriented applied research with development work rather than to locate it where the bulk of basic research is done. This is precisely what the committee recommends, and we are convinced that the few people who know something about the innovative process would disagree with us.

This does not mean, however, that basic research and the subsequent stages of the innovative process should be entirely divorced from each other. On the contrary, we propose that a substantial portion of the work performed by the academy or council should be mission-oriented basic research done at the request of other government agencies, through contractual arrangements, and that there should be frequent exchanges of personnel. These organizational links would, in our view, prevent the academy or council becoming an ivory tower, and at the same time make sure that the other government agencies would not unduly inflate their need for basic research.

Finally, I come to our recommendation that the three research institutes should work under the umbrella of an academy or council. This organizational integration is already effected within NRC in so far as the physical and the life sciences are concerned. But what about the institute for the social sciences? Having been an economist myself, I am convinced that new break-throughs in the social sciences would be greatly facilitated if they were more closely associated with the other sciences. We have quoted in our report Vassily Leontief, the great Harvard economist, who holds the same view. Many medical researchers now claim that several areas of interest to them, such as the drug problem, also require the contribution of mission-oriented basic research in the social sciences.

I would like to refer again to Dr. Steacie, who was not only a first-class natural scientist but also a great humanist, who said:

> The real situation seems to me to be that science is one of the humanities, although technology is not. Specialization is necessary and is intrinsically desirable, in spite of what the dilettantes say, but there is a real problem in trying to maintain breath in spite of it.

• (1530)

On another occasion, he added:

> A liberal education has already been broadened to include economics and the social sciences, so why not the natural sciences?

My own interpretation of Dr. Steacie's views on this subject is that if the different sciences ought to be integrated in our educational systems and programs, this closer relationship should also be established in the area of research. Dr. Steacie's thoughts about the integration of scientific disciplines were very perceptive indeed, because they since have become one of the main themes that are discussed today in the scientific world. For instance, Gabor Strasser, in a recent article entitled "What is in Store for our Scientific Technological Establishment," asserts that "it is necessary to properly orchestrate the many disciplines" and that "superposition . . . simply does not work."

Thus, my conclusion is that our recommendation to transform NRC into an academy, where intramural basic research in the physical sciences, the life sciences and the

social sciences would be concentrated, corresponds to a new trend which will develop more and more in the future, and would not result in the destruction of the council. On the contrary, it is a reconstruction in the very direction that past presidents of NRC really wanted but could not follow because they felt that they had to hide, to a certain extent, their interest in basic research and to show that they were performing a useful and practical mission. The implementation of our recommendation would enable NRC, for the first time in its history, to abandon this disguise and this false image. It would represent a most challenging mission, that of becoming a still better centre of excellence for basic research with a wider range of scientific disciplines, a greater institution of which, I am sure, all Canadians would be proud. I am also convinced that Dr. Steacie, as I have tried to show, would have picked up that challenge with great enthusiasm and would have been proud indeed to be the head and the inspiration of such a unique institution.

To sum up, I want to emphasize again that the committee's proposals regarding targets, strategies and administrative reorganization for the carrying out and the public support of basic research in Canada have received widespread approval from those who have studied our report seriously and who are more interested in building for the future than in preserving the status quo. We now hope that those suggestions and recommendations will receive immediate and careful consideration by the government. I am very much encouraged by the following statement that the Honourable Alastair Gillespie made in the speech to which I have already referred. He said:

> The Lamontagne committee has made a number of recommendations with respect to basic research. There are 45 recommendations in the second volume, a significant number of which touch upon the question of basic research in Canada . . . We will be very much involved in developing criteria for federal support of basic research, and we intend to stress quality rather than quantity.

This is exactly the expression we used in our report. He continues:

> The idea of centres of excellence has considerable appeal to me and my ministry. The concept of centres of excellence will be given a high priority.

And the minister concluded:

> In the one minute left to me I should like to state that the Lamontagne committee report, to which I have referred several times this afternoon, will be given very careful attention by my ministry.

I hope that this ministerial statement will be gratifying not only to the Senate but more particularly to all members of the committee who participated in the preparation of the report.

On motion of Hon. Mr. Cameron, debate adjourned.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. A. E. Haddon Heath: Honourable senators, I should like to congratulate the mover of the Address in Reply to the Speech from the Throne. I read Senator Buckwold's speech with great pleasure. I am sure that all Canada will benefit from his able advocacy from the west.

I read also with great pleasure Senator Lapointe's speech in seconding the motion. It is a delight to have such a worthy successor to Senator Casgrain in this chamber.

The Speech from the Throne contains many points with which the Senate is dealing right now, and I refer to the three excellent reports presented respectively by the Poverty Committee, the Science Policy Committee and the National Finance Committee. Almost every point raised in the Speech from the Throne is covered in the recommendations and solutions presented to us by our committees.

I assure the house that Senator Lamontagne and I are not in collusion, but I, too, read Charles Lynch's column in the Vancouver *Province* of January 24, in which he wrote:

> Because the Senate lacks power . . . its reports, though prepared at public expense, have no more influence on events than commentaries from non-governmental sources.

Some honourable senators will be surprised to hear that we lack power. One of the firm understandings some of us have is that our duties and responsibilities here lie in preparing legislation, and in amending legislation from the other place. I feel, Charles Lynch to the contrary, that the recommendations from the committees on Poverty, Science Policy and National Finance mean we expect action to result, by way of amending legislation coming from the other place or originating here.

One of the points made in the Speech from the Throne is:

> Economic security is one of the most effective forces with which to counter social isolation.

The Special Committee on Poverty made concrete recommendations on this very point. The Speech from the Throne speaks of correcting "social injustice," and in this area we have recommendations from the Poverty Committee which we will be discussing in due course.

• (1540)

To me last Tuesday's meeting of the Council of the Canadian Bar Association in Montebello was extremely helpful, because the panel dealing with poverty law had as a participant Senator Carter, who was for a time deputy chairman of the Poverty Committee. Senator Carter was a real Daniel in a den of lawyers. He laid a broad foundation for the day's discussion of poverty by the Council of the Canadian Bar Association. One of the points that he brought out so well, and one which cannot be stressed too often—and I believe this is the Prime Minister's definition—was that "poverty" is to be without hope.

The Speech from the Throne indicates this in several places, and it is a more difficult problem for us to deal

with than the sticks and stones of monetary policy or economic support, but it is definitely a problem we will have to tackle. It is perhaps the major challenge of our time.

One of the interesting points in the Speech from the Throne is the emphasis on the individual and the necessity for the individual to have a sense of identity and a sense of worth. This is because the individual is being threatened by "bigness". I think this was brought out very clearly in the Speech where it says that our modern technological achievements become hollow and mocking to those who find in society little understanding of their hopes and little provision for their needs, and who are dominated by bigness in an increasingly impersonal social system. There is a danger of their developing a sense of being overwhelmed and of feeling a sense of futility because of big government, big business and big labour unions.

One of the interesting sidelights in the report of the Science Policy Committee is a reference to a company making voltmeters. In order to give the man on the production line a sense of contributing to the whole process of manufacturing, the company has given him the job of assembling a voltmeter from start to finish. Perhaps, in view of the assembly-line techniques we have come to develop as part of our superior technology, we might consider the step taken by this company to be retrograde. On the contrary, it has worked very efficiently for that particular company, and moreover each worker in that company feels a sense of pride and association with the company. That is something we should consider when we deal with the recommendations of the Science Policy Committee.

At page 365 of Volume II of that committee's report there is the statement: "Innovation . . . must work towards improving the quality of life rather than increasing its quantity." On page 363, the report asks the question: How can the collision between nature and mankind be stopped? It also asks how the collision between poor worlds and rich worlds can be stopped. There, again, concrete recommendations are put forward.

The report also quotes—and I rather like this—René Dobos in these words:

> Whether we want it or not we shall soon be compelled to reformulate the philosophy of quantitative growth which has governed the western world since the industrial revolution.

There are so many constructive recommendations in this report that I feel we shall be able to play our part respectably when the time comes for creating effective legislation along those lines.

Departing from the text of the Speech from the Throne for a moment, but keeping in mind the concept of "bigness" and its problems, we might consider the contribution made by Eric Nicol, a columnist for the Vancouver *Province*. Writing in the February 12 edition of that newspaper, Mr. Nicol contributes to this whole discussion a few suggestions or ideas about what he refers to as the "Little Revolution." He says:

> Women's lib to the contrary, the biggest revolution of our time—and it's just getting up a head of steam—is the Little Revolution. That is, the revolution that will reverse the principle of growth that has dominated men's thought and action for the past thousand years.
>
> The revolution is dictated by the Earth's finite resources of fossil fuels, minerals, water, breathable air and the sanity that is dependent on having a few trees between us and the nit with the transistor radio.
>
> As one who has been anti-growth for some years (I am five foot nine three-quarters and shrinking), I invite you to speculate with me on what sort of training we must give the businessman, the engineer, the adman, the teacher—in fact just about everybody except the hippies who are the vanguard of the march on the Bastille of Bigness-for-Bigness'-sake.
>
> We shall have to:
>
> Re-train the business executive to think small.
>
> Teach the engineer to keep the production line slowed down.
>
> School the teacher to convey to his classes the mathematical concept that multiplication is morally wrong, that to add is human, to subtract divine, and happiness is a square root.
>
> Burn all industrial and economic graphs drawn to show (a) increased production, (b) greater volume of sales, (c) higher gross national anything.

He continues like this for several other points in his revolutionary platform, and then says that we shall have to:

> Outlaw football, basketball and other spectator sports that glorify the oversized. Subsidize midgets, and the games midgets play (run-under-the-hurdles, miniature golf, etc.)
>
> Have the government take over advertising, commissioning the admen to write commercials for things that cannot be bought and that belong to everyone. Delight in a fresh, evening breeze. The smile of a wanted child. The smell of the human body that no longer needs lasting protection against nervous perspiration because there are fewer things to get nervous about.
>
> Such are a few of the possible skirmishes of the Little Revolution. I hope you will agree that the Little Revolution is the biggest thing since the Industrial Revolution, the Reformation and the invention of chewing gum all rolled into one.
>
> Why not be the first in your block to form a revolutionary cell? Remember, no bucking for a larger membership. There's nothing wrong with a one-man cell, so long as we get enough of him to make it us.

Mr. Nicol then concludes in two-point type, the smallest type-face you can get, with the words "Think Shrink".

With an ability displayed only by the fine humorists, Mr. Nicol has summed up perhaps the main problem touched upon in the Speech from the Throne, and a problem with which the Science Policy Committee report deals, namely, that we have to rethink our concept of growth for growth's sake and make sure that what we are building is what we really want.

One item not mentioned in the reports of the Poverty Committee, the Science Policy Committee, and the Standing Senate Committee on National Finance, but which is mentioned in the Speech from the Throne, is a project designed to alleviate isolation in time as well as in space. I refer to the Heritage Canada concept which will preserve items and collections from Canada's past. It is important to combat isolation in time for one simple reason, and that is that tomorrow is today's dream while yesterday is today's memory. We live not just today, but are part of yesterday and tomorrow. For this reason I hope that we shall find in Heritage Canada a concept worthy of our support.

Honourable senators, I have touched on only a few of the proposals in the Speech from the Throne, but I think it is readily apparent that the Senate is, and will be, well prepared to deal with the pertinent legislation emanating from the Speech. Because we are not subject to the same type of pressure that seems to be prevalent in the other place, we need not mistake the urgent for the important, and armed with our committees' recommendations we should, I think, with profit to our country, always be able to distinguish the important from the urgent.

On motion of Hon. Mr. Smith, for Hon. Mrs. Fergusson, debate adjourned.

The Senate adjourned until Tuesday, March 7, at 8 p.m.

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. A. Hamilton McDonald tabled:

Copies of statistical tables for 1967-1972 showing (1) Post-secondary Education Operating Expenditures, (2) Total Value of Transfer to Provinces, (3) Value of Tax Abatement and Equalization Payments and (4) Value of Cash Adjustment Payments, in connection with Part II of the Federal-Provincial Fiscal Arrangements Act, 1967.

Report of the Department of Communications for the fiscal year ended March 31, 1971, pursuant to section 6 of the Department of Communications Act, chapter C-24, R.S.C., 1970.

Copies of Special Report 1 of the Working Group on Federal Maximum Security Institutions Design appointed by the Solicitor General of Canada, dated November 30, 1971.

Report of the Minister of Industry, Trade and Commerce under the Corporations and Labour Unions Returns Act (Part I, Corporations) for the fiscal periods ended in 1969, pursuant to section 18(1) of the said Act, chapter C-31, R.S.C., 1970.

Copies of an Agreement, dated February 29, 1972, between the Governments of Canada and the Provinces of Nova Scotia and New Brunswick to establish a review board to undertake a reassessment of the economic feasibility of developing power from the tides of the Bay of Fundy.

PENITENTIARIES

INMATES AUTHORIZED TEMPORARY ABSENCE—INQUIRY ANSWERED

Hon. Earl Hastings inquired of the government, pursuant to notice:

As at November 30, 1971, what was the number of inmates authorized to be temporarily absent on a regular basis from each federal institution by authority of the Penitentiaries Act for the purpose of:

(a) pre-release employment

(b) regular employment

(c) educational purposes

(d) other.

Hon. A. Hamilton McDonald: Answered.

For text of answer see Appendix "A", p. 93.

DEATHS OF INMATES—INQUIRY ANSWERED

Hon. Earl Hastings inquired of the government, pursuant to notice:

For the three-year period ending December 31st, 1971, in respect to each inmate death in federal institutions under the Penitentiaries Act, what was

(a) the name and number of the inmate

(b) the date of death of the inmate

(c) the age of the inmate

(d) the cause of death of the inmate

(e) the sentence being served by the inmate

(f) the institution where the death occurred.

Hon. Mr. McDonald: Answered.

For text of answer see Appendix "B", p. 94.

AGRICULTURE

DESIRABILITY OF ESTABLISHING STANDING SENATE COMMITTEE—DEBATE ADJOURNED

Hon. Hazen Argue moved, pursuant to notice:

That in the opinion of this House it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said Committee by the Senate.

He said: Honourable senators, I am pleased to move this motion and to have it seconded by Senator Lafond. It is a matter of importance that the Senate should consider the establishment of a Standing Senate Committee on Agriculture.

Agriculture in this country faces a great many problems. Income from agriculture is low, and much of the poverty existing in Canada is located in rural areas. There is much in common between the poverty of the poor associated with agriculture and that associated with the poor who live in our urban centres. Both are exploited.

• (2010)

I think it is appropriate that this motion is moved and seconded by a senator from western Canada and a senator from eastern Canada respectively.

It is true that agriculture, as the years go by, becomes relatively less important to Canada, but it is still of major importance. Some two million Canadians obtain their livelihood directly from agriculture, and some five million are listed in the 1966 census as rural Canadians, so agriculture itself still embraces a significant proportion of Canadians. It is important, I believe, to have improved legislation for agriculture, and to have improved consideration of that legislation by the Senate.

In the last few years a number of important pieces of legislation dealing with agriculture have been passed by Parliament. I have not carried out any research into legislation affecting agriculture back to the beginning of this country, but I have extracted from the records the various agricultural acts passed by Parliament over the last six years. There have been some 19 pieces of legislation, and I would think most of them are of substantial importance.

They are as follows: the Agricultural Rural Development Act, ARDA; legislation respecting farm credit, crop insurance, and livestock feed assistance; the Canadian Dairy Commission Act, the incorporation of United Grain Growers; amendments to the Canadian Wheat Board Act; amendments to the Prairie Grain Advance Payments Act; the Agricultural Products Cooperative Marketing Act; the incorporation of the National Farmers Union; the updating of the Canada Grain Act; and, just recently, the Farm Products Marketing Agencies Act.

It might be assumed by people in eastern Canada that agriculture is heavily weighted in favour of the west, but if one looks at the statistics as to both the division of farms and the division of the legislation passed by Parliament, it quickly becomes clear that agriculture is important in this nation from the east coast to the west coast. There were some 19 acts affecting agriculture passed by Parliament during the period 1966 to 1971, eleven of which affected agriculture right across the nation. Four of them affected farmers in western Canada. Each one of them had to do with the advance payments legislation, so that these four affected only one act of Parliament. One act might be considered to affect only eastern Canada, namely, that setting up an eastern feed board, but I think those of us who come from the west will agree that any policy adopted with regard to the purchasing of western feed grain by eastern Canada definitely affects western producers.

Three pieces of legislation have to do with the west mainly, but they also affect eastern Canada. I refer to legislation affecting Canadian wheat. The Canadian Wheat Board is an instrument for the marketing of grain in the interests of western producers, but obviously in marketing that grain its policies affect all Canada, so it seems quite evident to me that agricultural legislation which comes to this house affects both eastern agriculture and western agriculture almost equally.

Further, to demonstrate the relatively similar importance of eastern agriculture and western agriculture, I have in my hand statistics which show the number of farms in Canada. In 1966, the last year for which figures are available, there were 213,948 farms in western Canada; in the same year there were shown to be 216,574 farms in eastern Canada. Mathematically, therefore, the number of farms is divided almost equally between eastern and western Canada.

An interesting thing to me in working with some of these statistics is to see that the income per farm is very similar in both eastern and western Canada. For example, in 1966 the cash income per farm in western Canada was $10,635, and in eastern Canada it was $9,127. In 1970 the figures were somewhat similar but the positions were reversed, because in that year the cash income per farm in western Canada was $9,000 and in eastern it was $10,074.

The agricultural legislation that comes to the Senate is usually debated, and then referred to the Standing Senate Committee on Banking, Trade and Commerce. That committee does a good job of considering legislation in the time it is able to devote to it, but it is busy on a great many subjects and a great many questions. Our experience with the Farm Products Marketing Agencies bill, with which we had to deal at the end of the year, was an interesting example of how a committee of this house dealing with agricultural legislation might have been able to give that bill consideration at an earlier date. It would seem that if legislation presented to the other place could be dealt with early in the session in this house by such a committee, and before the dying days of the session, the Senate would be able to discharge its function in a more efficient and effective manner.

Hon. Mr. Flynn: Not only in agricultural matters.

Hon. Mr. Argue: I agree with that, but at the moment I am discussing only agriculture.

From 1966 to date the important pieces of legislation that came to the Senate were referred to the Standing Senate Committee on Banking, Trade and Commerce, and in each case, with the exception of our experience at the end of the last session, were studied for a period of only one meeting of that committee.

• (2020)

With agriculture in the position it is in today, and with the Senate hoping to do a more efficient job in many fields, we should consider setting up a standing committee on agriculture. Such a committee could study the particular situations that may be found in regions. I refer in particular to the information brought before the Senate by Senator Michaud on the deplorable economic conditions in the County of Kent, New Brunswick.

While a standing committee cannot be expected to look at every single county or every single difficult problem in a particular part of Canada, it might, while considering the agricultural situation generally, focus particular attention on such a difficult problem as that related to the Senate by Senator Michaud.

The suggested committee might play a useful role in preventing misunderstandings between eastern and western Canada. We can all understand that there is a measure of competition, a measure of conflict in interest, between the producers in the west and those in the east, but our agricultural producers have always had to fight for their economic existence and it would be deplorable if there should be a pitched battle between the farmers of the east and those of the west.

Such a confrontation was certainly coming about on the question of feed grain prices. The farmers in the Province of Quebec were very much disturbed—in fact, they were up in arms—at having to pay high feed grain prices to the Canadian Wheat Board in relation, as they said, to the very low prices at which feed lots in the Prairies could obtain feed grain locally. It seems to me that there was some misunderstanding when they took that position. It would appear that the low feed grain prices on the Prairies that they talked about in the main did not exist, or existed only in isolated cases, and that the ordinary producer who was feeding cattle and hogs on the Prairies was paying a much higher price for his feed grain than that indicated by the spectacular news reports of some depressed prices that were coming out of western Canada.

I can also understand the position of the producer in Quebec, and in some cases Ontario, who was objecting to the policy of the Canadian Wheat Board, where from time

to time the Board was selling coarse grain to customers overseas at a price lower than what they were charging within Canada. Honourable Senator McNamara certainly knows much more about this than I do, but the Canadian Wheat Board, as I understand it, was following a policy of domestic pricing for oats and barley in relation to the cost of imported American corn. Therefore, it has been able to maintain a price somewhat higher than the prices they have to take on the export market.

But my main point is that this kind of conflict might be resolved by a Senate committee hearing representations from both sides. I should think that within our nation there are methods by which we can work out prices and costs and markets in such a way as to be fair to the producers of western Canada and the producers of eastern Canada.

All of us know that in the House of Commons, especially those of us who have taken part in the debates in that place over the years, political parties take partisan positions, and that to stay alive in the other place you assume that your own party is always right and the other party is always wrong. Thus, when some particular matter of great public importance is referred to the agricultural committee, a matter that may have considerable merit, albeit one that may have considerable weaknesses, it gets so torn about by partisan discussion in the committee that as a result the committee itself is inoperative and it becomes impossible for the required legislation to go through the normal processes in the other place.

It seems to me that a Senate committee might give a nonpartisan hearing, a fair hearing, to some of the important policy questions affecting agriculture. We might be able to come up with recommendations from time to time that would appeal to all interests concerned. We might do justice to the agricultural producers, to the consumers in this country and to Canadians generally.

In my opinion there are areas in which such consideration and study might be undertaken. There is the whole question that has yet to be determined of a stabilization policy for agriculture, which will remove some of the insecurity in the production of agricultural products. There is the question of the adequacy or inadequacy of terminal facilities for grain on the west coast. Also of increasing importance is the question of the possibility of developing overseas markets for our agricultural meat products. If such important large markets can be obtained, that would relieve much of the pressure on agricultural markets within our country.

Honourable senators, I am pleased to have presented this motion to the Senate. I feel that there are a number of reasons why, at this time, the Senate should give consideration to the question of setting up a standing committee on agriculture. In brief, I should like to summarize those points.

First, the setting up of such a committee would enable the Senate to make a more thorough and effective study of legislation in the field of agriculture. It would remove some of the pressure and embarrassment and the inevitable criticism that comes from dealing with important legislation in a rush at the end of a session.

[Hon. Mr. Argue.]

Second, it would make for a realistic and practical study of controversial questions that now get bogged down in the highly partisan filibusters that have become the hallmark of the Commons Committee on Agriculture. The committee would, I believe, come up with constructive proposals of benefit to the agricultural industry across Canada.

Third, on instructions from the Senate the committee could initiate inquiries into issues that now threaten bitterness and division between eastern and western agriculture, as, for example, the whole question of feed grain prices and transportation policies. This committee could make recommendations that would be fair to both eastern and western agriculture.

• (2030)

Fourth, it could conduct specific inquiries into serious agricultural problems of a regional nature; for example, those of Kent County, New Brunswick, already detailed in the Senate by Senator Michaud.

Fifth, it could consider long-range policies in the interests of a healthy agricultural and rural economy.

I have pleasure, honourable senators, in moving this motion.

On motion of Hon. Mr. Lafond, debate adjourned.

HEALTH, WELFARE AND SCIENCE

PROPOSED STUDY BY COMMITTEE OF LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE ADJOURNED

Hon. J. Campbell Haig moved, pursuant to notice:

> That the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

He said: Honourable senators, Wednesday last, March 1, I made a speech in the course of the debate on the Address in Reply to the Speech from the Throne. I was followed by Senator Desruisseaux and Senator Lawson. The theme of my speech was the question of strikes affecting the public service. I shall repeat part of what I said on that occasion. We have had several strikes in the past few months and are threatened with several more; moreover, strikes in the public service, in addition to being a cursed inconvenience, which is a mild description, are also a serious burden on the consumer, the economy and, I might add, the innocent public. Procedures presently being followed to settle disputes and differences between labour and management are not proving sufficiently successful in avoiding strikes—a fact that has become evident in the past 18 months. Federal laws in this area are far from clear owing to the fact that the Bryden Commission restricted itself to studying, at length, the effects of the Public Service Staff Relations Act. For those reasons, and because we have worthy representatives of both labour and management in this chamber, men with significant experience in resolving differences between labour and management, and because a number of senators have indicated a definite interest in the Sen-

ate's undertaking a study of this kind, and because a formula must be found by which rational and honest men on both sides can arrive at reasonable solutions to their issues without recourse to strikes, which harm our economy and, at times, jeopardize the well-being of a vast number of citizens, I move that this labour-management question be referred to the Standing Senate Committee on Health, Welfare and Science. Under our rules, subjects affecting labour relations are usually dealt with by this committee, but if honourable senators feel that such a study should be made by a special committee of the Senate, I would have no objection.

The ideal situation would be for this committee to look into the various approaches which are followed in negotiating labour-management disputes, both in private industry and public service. It would appear that some are more successful than others.

Last week Senator Lawson of British Columbia said that his organization has used the collective bargaining method with the dairy industry for 53 years, without a single strike. If this industry can negotiate without striking why cannot this method be applied successfully in other areas?

What we must ascertain is why some collective bargaining procedures are resolved without strike action being taken, while other methods seem to bog down and provoke costly work stoppages. Is it because some unions are greedy? Is it because some employers are hard-hearted and tight-fisted? Or is it because the machinery used in certain cases is not efficient? We must also determine whether federal legislation covering such matters is a help or a hindrance.

Senator Martin's reply, as Government Leader, to Senator Cameron's question regarding the Public Service Staff Relations Act, indicates that all is not as clear as crystal in federal legislation pertaining to labour-management relations.

I would suggest that the prime purpose of this committee, whether it be the Standing Senate Committee on Health, Welfare and Science, or a special committee, would be to study the various methods of resolving labour-management difficulties to determine which methods are the most successful, and whether they might be given universal application. To my mind, this is a positive approach to the problem and one which would likely bear more fruit than a study regarding the right to strike of public servants who are performing essential services. I do not go that far.

Honourable senators, a study of this kind is obviously necessary as you look back over the past 18 to 24 months. We have the talent which is required in this chamber. We have men who are experienced in settling disputes between labour and management. So I would say to you, honourable senators, let us get on with it.

• (2040)

Hon. Mr. Buckwold: Honourable senators, I had the privilege of seconding the motion put by Senator Haig, I am not quite sure whether it is expected of the seconder to say a few words at this time or to adjourn the debate. Perhaps I can receive some guidance from the chair?

The Hon. the Speaker: This is a debatable motion and I understand that the honourable Senator Phillips would also like to speak to it.

Hon. Mr. Flynn: You may adjourn the debate if you wish.

Hon. Mr. Buckwold: Perhaps I could say a few words at this point, then move the adjournment.

The Hon. the Speaker: The practice is that before an honourable senator moves adjournment of a debate, if another honourable senator wishes to speak he may do so.

Hon. Mr. Choquette: Move the adjournment.

On motion of Hon. Mr. Buckwold, debate adjourned.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 2, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. Muriel McQ. Fergusson: Honourable senators, like those who have preceded me in this debate, I congratulate Senator Buckwold, who moved the Address in Reply to the Speech from the Throne, and Senator Lapointe, who seconded the motion. Both senators are recognized as valuable additions to this house, and both by their excellent speeches on this occasion have convinced their colleagues that the contributions to debates which we expect they will make in the future will be most worth while and will add greatly to the prestige of this chamber.

This session's Speech from the Throne pleases me, because it opens up and puts great stress on the importance of a field scarcely mentioned in earlier years, that of human relations within Canada. Previous Throne Speeches have been mostly concerned with the improvement in the economic life of Canada, in ways to increase our Gross National Product and with matters concerning our relations with other countries. All these are very important, but so are these humanitarian considerations concerning the relations of Canadians with each other and the quality of life in Canada, about which too little has been said in earlier Throne Speeches. This Throne Speech looks at conditions and at living within Canada. The legislation outlined in it will take us a long way toward the just society that we expect Canada will be in the years to come.

Tonight I plan to limit myself almost entirely to references to the policies mentioned in the Throne Speech that will improve the quality of life for Canadian women and will ensure for them equality in Canadian society which, as the Speech itself says, is long overdue. I also propose to remind you of steps that the government has already taken to make this policy effective.

To impress on the Prime Minister and members of his cabinet of the urgency of legislation in this area, several women's groups have recently made presentations to them. On January 24 the National Council of Women—which ever since its founding by Lady Aberdeen in 1898 has been widely referred to as the parliament of women—

led by its president, Helen Hnatyshyn, widow of our former colleague in this chamber, John Hnatyshyn, presented to the Prime Minister and the cabinet their annual brief. It supported a number of the recommendations of the Royal Commission on the Status of Women in Canada. In addition to such support they asked of the government that steps be taken for the preservation and retention in Canada of objects of historical and cultural value. They will be pleased, as I am, that the Speech from the Throne forecast the introduction of a bill to establish for this purpose a corporation to be known as Heritage Canada. This is something which is greatly needed if we are to preserve the many irreplaceable objects which relate to our Canadian history.

Also in January the national ad hoc committee on the Status of Women, who claim to represent 40 organizations with about two million members, led by its chairman, Mrs. Laura Sabia, met the Honourable Bryce Mackasey, who has responsibility for the government regarding the royal commission recommendations. At that time they pressed for action by the government in connection with 10 major areas of concern, which were day care, family planning, divorce, immigration, citizenship, women under criminal law, appointment of women to boards and commissions, equal pay, inclusion of sex and marital status in human rights codes, and appointment of a federal council on the status of women. Most of the matters referred to by this group are recommendations of the royal commission. This ad hoc committee plans to hold a national conference in Toronto on April 7 and 8, when they will study what further action they can take to improve the status of women in our changing society.

On Monday February 28 a presentation was made to the Prime Minister by the Canadian Federation of Business and Professional Women's Clubs, led by their president, Miss Charlotte VanDine. They stressed the report of the Royal Commission on the Status of Women. They commended some of the steps which have already been taken by the government to promote the equality of women, and they urged further carrying out of this policy by the implementation of the recommendations of the royal commission. This group dealt mainly with the matters of economic employment and social conditions for women, issues which the federation has promoted over the past 40 years.

• (2050)

I am told that both men and women throughout Canada, through organizations and groups and as individuals, are showing great interest in this area, and many letters are being written to the Honourable Bryce Mackasey, to other ministers, and to the Privy Council Office, expressing their views on how equality can be achieved. All these submissions are being seriously considered by the government.

I support the briefs which have been presented by those women's groups which I have mentioned. I am anxious to see further legislation passed which will eliminate any discrimination against women which still exists in Canada.

Although the Royal Commission on the Status of Women in Canada was appointed by the previous government, there is evidence that the present government supports its conclusions and recommendations. Members of the government have shown, through their speeches and actions, that the government is committed to a policy of establishing equality between men and women, and has already taken steps towards implementing that policy wherever it has been able to do so without the necessity for legislative action.

[Hon. Mrs. Fergusson.]

Ministerial responsibility for this has been assigned to the Honourable Bryce Mackasey, and Mrs. Freda Paltiel, of the Privy Council Office, has been appointed to act as the co-ordinating link for the interdepartmental committee which the government set up to study the commission's report and find ways and means of implementing recommendations contained therein.

The purpose of the committee was to study the commission's recommendations with a view to implementing those aimed at the federal level. The committee made an exhaustive study of both the recommendations and policies existing in all government departments to determine whether those policies conformed with the recommendations.

All government departments were urged to examine the procedures being followed, and to determine whether they were contrary to the government's policy of equality between men and women employees. If evidence of inequality existed, the departments concerned were asked to make the necessary changes.

I understand that the interdepartmental committee submitted its report at the end of 1971. I do not know what recommendations were contained in the report, but I trust that the government has been urged to implement the recommendations of the royal commission which have not yet been implemented.

I hope also that the government has been recommended to set up a human rights commission in accordance with that outlined in Recommendation 165 of the royal commission, which states:

> We recommend that federal, provincial, and territorial Human Rights Commissions be set up that would (a) be directly responsible to Parliament, provincial legislatures or territorial councils, (b) have power to investigate the administration of human rights legislation as well as the power to enforce the law by laying charges and prosecuting offenders, (c) include within the organization for a period of seven to 10 years a division dealing specifically with the protection of women's rights, and (d) suggest changes in human rights legislation and promote widespread respect for human rights.

In addition, I hope that the government has been recommended to establish a federal status of women council and that it will accept such a recommendation. The council would be directly responsible to Parliament, as set out in Recommendation 166 which states:

> We recommend that a federal Status of Women Council, directly responsible to Parliament, be established to (a) advise on matters pertaining to women and to report annually to Parliament of the progress being made in improving the status of women in Canada, (b) undertake research on matters relevant to the status of women and suggest research topics that can be carried out by governments, private business,

universities, and voluntary associations, (c) establish programmes to correct attitudes and prejudices adversely affecting the status of women, (d) propose legislation, policies and practices to improve the status of women, and (e) systematically consult with women's bureaux or similar provincial organizations, and with voluntary associations particularly concerned with the problems of women.

Should the government decide not to implement those two recommendations, I suggest that it appoint a human rights commissioner and a women's rights commissioner, having the same responsibility as that outlined in the two recommendations of the royal commission, and having the same powers as those suggested in the recommendations. Certainly there should be someone charged with responsibility in these fields if progress is to be made.

Honourable senators, the report of the royal commission, and the Archibald report, the title of which is "Sex and the Public Service"—some honourable senators may be familiar with that publication—indicate that the proportionate standing of female professionals in the Public Service is very low.

The encouraging attitude of the government towards equality of opportunity between men and women has inspired the Public Service Commission, which is responsible for the hiring and promotion of government employees, to take steps toward putting its own house in order. An Equal Opportunities Office, under the direction of Miss Carol Lutes, was set up within the commission in February 1971, its aim being to improve the proportionate standing of female professionals and provide for upward mobility of women in nonprofessional categories. Certainly there is need for this when one realizes that 80 per cent of women in the Public Service are engaged at the lower levels in the administrative support categories.

Mrs. Irene Johnson, who was appointed a member of the Public Service Commission in January of this year, was quoted in the press as saying that she was appalled to learn that of the 55,000 women among the 200,000 public servants, only one woman held a senior executive position compared with 500 men.

I am not in possession of figures showing the proportion of women holding positions in the top categories of the private sector of business, but I am sure that it is no higher. I am confident that if the federal government, the largest employer of labour in Canada, provides leadership in making better use of the female labour force, and in providing more opportunity for advancement in those areas previously closed to women, the private sector will undoubtedly follow.

• (2100)

For many years the reason given for the lack of training provided women in order to reach higher positions was that women worked only temporarily or until marriage, and it was wasteful to spend money on training programs as it was felt many of them would leave the work force before using such training. Studies now indicate that the average woman spends 33 years in the work force, only four years less than the average man, so that this traditional excuse for denying women training and promotion is only a myth.

The Chairman of the Public Service Commission, Mr. John Carson, is a strong supporter of equality as between men and women in the labour force, and to date several concrete improvements have been achieved in the Public Service in that regard. The first of these is in the area of administrative support staff. In this area two training programs were launched in February of this year. Under the first of these programs, secretaries at level 5 or above are eligible for a two-week course to improve their office skills to enable them to assume more responsibilities as a vital part of the management team. The second training program is a three-week course for secretaries at level 5 and above, and for clerks at level 4 and above, and it offers an introduction to management principles and practices, and provides access to the officer category, something which was not attainable for women in the past.

After completion of these courses the participant must be assigned by her department to duties relative to the officer category for which she would be a candidate. Promotion following that step would be through the normal competition process, and quite properly so, because it is only if a woman proves herself better than the man that she should be appointed.

Another improvement in the public service is that sex-type references are being removed from the commission's publications and recruiting materials, something which women have requested for many years.

A third improvement is that an inventory has been compiled of women in the Public Service who seem to have potential for career assignment programs and senior officer appointments, which list facilitates and increases the promotion of females within various departments. A fourth improvement is that in November of 1971 an announcement was made by the Public Service Commission to the effect that henceforth recognition of the significance of voluntary service, especially the considerable voluntary service by Canadian women, would be given weight in the consideration of applications for administrative positions within the Public Service.

I might say that all these changes had been recommended by the royal commission in its report.

A further step taken by the government is the setting up of a senior position in the Department of Manpower and Immigration to undertake, through its central manpower centres, the responsibility for special counselling with respect to the employment needs of women.

Another recommendation of the Royal Commission was to eliminate discrimination against women in the regulations made under the National Housing Act. In August 1971 an order in council was passed which amended the National Housing Act loan regulations by removing sex and marital status as considerations in respect to mortgage loans for home builders and purchasers. By that amendment also, sex and marital status was included in the list of prohibited discrimination in the sale and leasing of dwellings financed by the Central Mortgage and Housing Corporation or by a loan from an approved CMHC lender.

In these days when a working woman is often the chief supporter of a family or, as sometimes happens, the sole

supporter, discrimination against women on grounds of sex or marital status is out of date, and this change in the National Housing Act loan regulations is a welcome one.

One of the recommendations of the royal commission is that more women judges be appointed, and in that regard women throughout Canada greeted with delight and approval the appointment by the present government of Réjane Laberge Colas to the Superior Court of Quebec, Mabel M. Van Camp, Q.C., to the Supreme Court of Ontario, and Janet Boland to the York County Court, Ontario. We eagerly await similar appointments throughout Canada.

The royal commission and many women's groups who presented briefs stressed that there should be more appointments of women to federal boards, commissions, corporations, councils, advisory committees, and task forces. In that respect, at the meeting on February 28, to which I referred earlier, the Prime Minister said that of 1,380 such appointments by his government up to the middle of February 1972, 116, or 8 per cent, were women. That is not to say that there were 116 different women appointed, as some of the women were given two appointments. At the same time he admitted that this was not a very high rate, although it is a higher rate than had been in effect previously.

The Prime Minister also quoted from a United States press release which indicated that in the United States, over a period of three and a half years, only 200 women were appointed to presidential advisory boards and commissions, so considering the number of advisory boards and commissions in the United States and the size of their population it would seem that the number of appointments made in Canada compares favourably.

Women are grateful for these appointments, and await more with great interest. However, we do hope that in the future there will not be only token appointments of one woman to a board, but that all boards will be made up of a fair proportion of women.

Another recommendation of the royal commission was that women as well as men be admitted to the military colleges operated by the Department of National Defence. It is of interest here to note that Miss Flora MacDonald, a former senior aide of our colleague Senator Grosart, while in a position he held prior to his appointment to this chamber, was in 1971 accepted into the National Defence College at Kingston for an eleven month course preparatory to assuming an administrative position in the Public Service. This is a noteworthy breakthrough for women, and I hope it will open the way for the admission of more women to our military colleges.

A further recommendation of the royal commission was that sex typing of the occupations of employees working in the Senate and the House of Commons be discontinued. In accordance with this recommendation, His Honour the Speaker of the Senate arranged for the appointment of two girl pages for the Senate, although previous appointments to this position had been considered a prerogative of the male sex. You may be interested to know that many women have written to tell me they feel this is an important break in what had seemed to them an impregnable wall which up to then had prevented females from holding such appointments. I trust that in future, women will be considered eligible for any appointments, including administrative appointments in both the Senate and the other place.

• (2110)

There are other matters of particular interest to women concerning which recommendations were made by the royal commission, to which the government has given considerable attention, such as the provision for day-care centres and family planning. Although evidently the government has not as yet decided to follow the recommendations of the royal commission regarding day care, it has become involved in day care to a considerable extent through different departments.

I think this is not widely known, but I have learned that during the past year the provinces, through the Canada Assistance Plan, have claimed from the Department of National Health and Welfare shareable costs for the purchase of day-care services for children for a total of $3.9 million. The Central Mortgage and Housing Corporation has recognized day care as a housing-related facility, and has provided, in partnership with the provinces, some capital assistance for these centres.

Under nonprofit and limited dividend housing programs, two centres have been funded in Regina and Toronto as part of overall project costs. Under the Local Incentives Program of the Department of Manpower and Immigration, 80 projects for the establishment and improvement of day-care centres have been approved at a cost of nearly $2 million in federal funds. Assistance is given to day-care programs also through the Department of Regional Economic Expansion, the Department of Indian Affairs, and the Department of the Secretary of State. Thus, even though we have not followed the recommendations of the royal commission to really go into the day-care business, we certainly have given a great deal to help establish day-care programs throughout Canada.

There is also the matter of family planning, in which people are greatly interested. Bill S-15, which was first read in October, 1968, has led to the dissemination of birth control information. In September 1970, the Honourable John Munro, Minister of National Health and Welfare, announced a federal program on information, training and research in family planning. The announcement at the time said in part that:

> The government recognized and supported the right of Canadians to exercise free individual choice in the practice of family planning.

Since October 1970, following the report of a special committee on the safety of contraceptives, the Department of National Health and Welfare has been engaged in a Canada-wide family planning program, in co-operation with the provinces and with voluntary and professional groups. Last week the National Conference on Family Planning was held in Ottawa, sponsored by the department, at which it was learned that in 1970 and 1971 the Department of National Health and Welfare made grants to two family planning organizations in the amount of $550,000. The minister announced that for 1972 and 1973, $1,050,000 will be available for family planning, approximately one-half of which will go to voluntary organizations.

Besides the steps to implement the recommendations of the royal commission which the government was able to take without the necessity of invoking legislation, a number of acts have been passed which are in accordance with the recommendations and the requests that have been received.

An act to amend the Canada Labour (Standards) Code, passed in 1971, provided for maternity leave, and also for payment by employers of equal wages to male and female employees doing the same or similar work, requiring similar skill, effort and responsibility under similar working conditions in the same establishment. This amendment regarding equal pay replaces the Female Employees Equal Pay Act, passed in 1956, which had not worked satisfactorily, mostly because it required the person aggrieved to lay the complaint, which put many employees in a difficult position and they preferred to put up with what they felt to be discrimination against them rather than create unpleasant feelings with their employer. The new act is supposed to eliminate this necessity.

The Unemployment Insurance Act, passed in 1971, provides for universal coverage, for paid maternity leave, and for nondiscrimination on grounds of sex or marital status in employment referrals by the Department of Manpower and Immigration. Both the amendments to the Canada Labour (Standards) Code and the provisions in the sections of the Unemployment Insurance Act were among the recommendations of the royal commission.

According to the Throne Speech, a number of bills will be introduced this session to make further provision for the equality of women. One that was introduced on February 21 this year will, when passed, amend the Criminal Code to give women the same rights and responsibilities as men regarding jury service in criminal matters. Honourable senators may recall that Bill S-20 of the last session had the same objective. Although it was passed by the Senate and received first reading in the other place, Parliament adjourned before it received further consideration. However, it is a great satisfaction to me that it is now part of Bill C-2, which has been introduced by the Minister of Justice in the present session.

Other subjects covered in Bill C-2 which are of great interest to women, and which were discussed in the report of the royal commission, are the abolition of whipping as an additional punishment and the abolishing of attempted suicide as an offence under the Criminal Code.

The Speech from the Throne indicates that there will be important amendments to the Fair Employment Practices Act, and in view of previous statements it is hoped that these amendments will provide for non-discrimination in employment on the grounds of sex.

At the meeting on February 28, when the Canadian Federation of Business and Professional Women presented their brief to the Prime Minister and the cabinet, the Secretary of State for External Affairs, the Honourable Mitchell Sharp, referred to requests that had been received asking that a married woman be issued a passport in her maiden name without the name of her husband appearing on it. The custom in such cases up to that time had been to add the name of the husband to her passport as an observation. The Secretary of State for External Affairs announced that the government had decided to accede to this request and that, should a married woman apply for a passport in her maiden name and request that her married name and status not be included on the ground that she is not using her married name, and does not intend to use it, the passport office will issue a passport in her maiden name without any mention of the name of her husband. This may seem a small matter, but it is of great importance to many women.

• (2120)

At the same meeting, the Honourable Mitchell Sharp referred to ILO Convention No. 100, concerning equal remuneration for male and female workers doing work of equal value. Women have for years, been urging the government to ratify that convention. He stated that letters had been sent by his department to all provincial governments, asking for their concurrence in such ratification, but that up to that date, February 28, only five provinces had replied.

However, as nine provinces already have equal pay legislation on their statute books, and as in the tenth province, Quebec, the principle is implied in the definition of discrimination, which includes sex, in the Employment Discrimination Act passed in 1964, it would seem that the provinces have no objection to the principle of equal pay. It seems to me that the federal government might follow up the letters already sent to the provincial governments, and might point out that those governments have already passed legislation endorsing the principle of equal pay. This might bring forth their acceptance.

I am also planning to suggest to the women who have been pressing the federal government to ratify ILO Convention No. 100, that they might ask their provincial governments whether they have advised the federal government of their concurrence in ratification and, if not, to urge the provincial governments to do so. I know that for as long as I can remember women have been asking the federal government to ratify this convention, and now it seems useless for them to continue asking the federal government directly.

As evidenced by women's groups who have appeared before the Prime Minister and cabinet ministers, women are actively seeking equality and are demanding from the government more changes in legislation and in administrative action in government departments and in crown corporations. However, from what I have said about the action that has already taken place, honourable senators must realize that the report of the Royal Commission on the Status of Women in Canada has not been put on the shelf by the government to gather dust. One member of the department said to me that it is being studied so much that instead of gathering dust it is gathering thumbprints.

Viewing objectively the accomplishments of the present government towards establishing equality and better opportunities for women, and comparing what has been done with the accomplishments of any previous government in that area, one has to admit that considerable progress has been made since 1968. The women of Canada have reason to believe that they can rely on the statement in the Speech from the Throne that, in accordance with the expressed policy of the government, steps will be taken during the present session to ensure the equality of women in Canada.

Hon. Eugene A. Forsey: Honourable senators, I regret very much that absence on arrears of academic duties left over from last year prevented me from hearing the speeches given by the mover and seconder of the Address, and indeed most of the other speeches which have been delivered in this debate. I may say, however, that those I did not hear I have read, if not word for word, very nearly so. I should like to congratulate very warmly not only the mover and seconder of the Address but also all those who have spoken in the debate. It seems to me that the speeches of all have been of a notable kind and have made distinguished contributions to the discussion of public affairs.

I noticed in the *Globe and Mail* a column in which the writer intimated that the debate on the Address in the other place was a mere charade. I do not know whether the word was well chosen but it was evident that the writer did not think very highly of the substance of the speeches which were made in the other place on the Address. I do not think that any impartial observer, reading the speeches on the Address here, could make that kind of remark. I cannot think of one speech which did not have a marked contribution to make to the enlightened and enlightening discussion of public affairs.

Honourable senators, having said that, I would like to comment briefly on one or two particular points in some of the speeches and to make one or two suggestions on the better use of this chamber in the legislative process; and then to offer some comments on a constitutional point which arose elsewhere.

Before I embark on the substance of what I wish to say, however, I want to make a rather, shall I say, discourteous remark, perhaps, about what I think was the rather discourteous behaviour of some of the people who came up at the opening of this session, and were out beyond there. I do not know whether they were members of the other place or not, but I think it was evident to other senators, as it was to me—probably more evident to them because of their more acute hearing—that there was a great deal of hubbub, of conversation and of uproar, I might almost say, going on outside in the lobby of the Senate chamber while the Speech from the Throne was being delivered. That was most unfortunate. I think it is a reflection on the conduct of affairs in Parliament; and I venture to suggest that, if people who come up here to listen to the Speech from the Throne cannot mend their manners and keep quiet while His Excellency is addressing the two houses, they should stay away. As far as I know, there is no compulsion on them to come up here. If they come up, they should behave like civilized, decent human beings and show proper respect for the Crown and the institutions of this country and the people who represent them. I am sorry to have to make that remark but I was intensely irritated, disgusted and ashamed at the hubbub which went on during the reading of the Speech from the Throne, while His Excellency was speaking to us.

Honourable senators, I wish to turn for a moment to comment on some of the things said by earlier speakers in the debate. I was pleased to notice the suggestion by Senator Buckwold that we should have a committee on urban affairs—whether a standing committee, as I think he suggested, or a committee set up each session. When I was sitting on the Special Joint Committee on the Constitution, I was struck again and again by the number of times that representatives in municipalities from all across the country set forth their grievances at considerable length, and their feelings that they were not getting substantial justice from their provincial governments. We all know that municipal institutions are within the exclusive jurisdiction of the provincial legislatures. We all know, also, that it is almost impossible in modern circumstances to separate completely the activities of the Government of Canada and the Parliament of Canada from the affairs of the municipalities.

• (2130)

This is, in fact, becoming more and more difficult not only because of the intermeshing of the two jurisdictions, but because of the extraordinary, one might almost say the galloping, increase in the proportion of the people of this country who live in urban areas; also in the proportion of those who live in very large urban areas—the metropolitan centres. So that it seems to me the Senate could perform a useful function indeed, if it had such a committee as Senator Buckwold suggested to look at this whole urban affairs situation and to offer to the Government of Canada, and of course indirectly also to provincial governments and indeed municipal governments, suggestions on ways in which the plight of the municipalities—and I do not think the word "plight" is putting it too strongly—might be ameliorated. I hope very much that that suggestion of Senator Buckwold's will be taken up. I think it would also be a help to the minister of the Government of Canada charged with urban affairs and housing.

The second particular point that I should like to comment on is one that Senator Lapointe made when she spoke of our having an observer now in the Organization of American States. As not infrequently, I am going to be a trifle unorthodox here, because I hope that is as far as we shall go in the Organization of American States. I have long been convinced that it would be a great mistake for this country to go into the Organization of American States. It would be a splendid way of demonstrating how not to win friends and influence people. I am perfectly convinced that if we were a full member of the Organization of American States, we should find that the United States would expect us always to say, "Me too," or at least remain discreetly silent, if we could do no more than that, to anything that the United States suggested. And on the other hand we should find that the Latin American countries would expect us to stand up with them against the United States. I think we should find ourselves constantly in the position, whatever we did, of being the targets of tut-tutting, if not abuse, from both sides.

An observer may be very useful, but it would be the height of folly for the Government of Canada to make this country a full member of the Organization of American States. I strongly hope that nothing of the sort will be done without thorough investigation and consideration of the matter by both Houses of Parliament.

I read with great interest the contributions of the Leader of the Opposition to the debate. They were, as always, scintillating, and every word of them thoroughly worth listening to and reading. But there was one remark that he made that I confess I felt rather stretched the facts

of the situation, when he described the general policies of this government as "creeping socialism." He went on to set forth his own views which, it seemed to me, might perhaps with at least equal accuracy, and I think greater accuracy, be described as "galloping laissez faire." I was rather appalled at the degree to which the Leader of the Opposition appeared to be harking back to the Manchester laissez faire school of political economy, which I should have thought gave almost its last gasp in Dicey's Preface to his *Law of the Constitution.* No, it would be his other one, *Law and Public Opinion in England.* I refer to that notable preface in which he lamented at great length and with great eloquence practically everything that had happened in Great Britain since 1880.

The honourable Leader of the Opposition did not go as far as that, but it seemed to me that he grossly exaggerated the extent to which the present government could be described as going in for socialism of any kind, even the creeping variety. I could not help feeling that possibly a certain word of caution might be uttered here; a certain suggestion that perhaps it would be a little more accurate and a little fairer not to apply what, for him, is evidently a very derogatory tag to the policies of the present government.

If, of course, one is prepared to say with Lord Salisbury—I do not mean the present one, but his grandfather, if I remember correctly—that we are all socialists now, well, very well; but it seems to me that otherwise this was an exaggeration.

Having said that by way of adverse criticism of what the Leader of the Opposition said, I should like to add at once that I strongly support the suggestion he made that the present government should appoint more Conservative senators. Let me also say at once that this is not by way of criticism on my part of the qualities of our colleagues of the Conservative Party in this house. With all due respect to them, I think it can safely be said that their numbers are so few now that it is difficult for them, with all their talents and all their industry, to fulfil adequately the duties which fall upon them in this chamber. I have had some conversation with one or two of them who are friends of mine, and I think I am not mistranslating what they have said to me when I make that remark. It seems to me that the present situation does impose a serious burden upon honourable senators of the Conservative Party. Certainly, even if the government were to fill up all the vacancies with Conservatives, it would be in no danger of being defeated in this house by a solid phalanx of Conservatives augmented by the number which that would involve. So I hope very much that, in spite of the strong pressures which always exist upon any government to appoint its own supporters to this house, the present government will from time to time see fit, I suppose the Conservatives would say, "to leaven the lump" a little with the appointment of a certain number of Conservative senators. I do not mean just any Conservatives or any kind of Conservative back-room boy or party hack. There are distinguished Conservatives in this country who would be ornaments to this house and who would make a great contribution to its proceedings.

I had intended to say something on the question of industrial relations in the Public Service and essential industries, a subject which Senator Haig, Senator Desruisseaux and Senator Lawson all spoke about in their speeches, but I shall defer anything I had intended to say on that until there is the opportunity to do so on the substantive motion which Senator Haig moved this evening. I shall merely make at this time the remark that I think his motion deserves the most serious consideration. Personally, I support it. I think the investigation by our standing committee which he suggests could be exceedingly useful. I am not prepared to believe that all is for the best in the best of all possible worlds in the present situation in labour relations in the public service and our essential industries. I think a calm, dispassionate, considered investigation of the subject could be of great use indeed.

As to the business of making the Senate more effective in the legislative process, of course we very much hope that the Leader of the Government will prove successful in the efforts which he assured us he would make to see that we get legislation from the other place in time to allow us to give adequate consideration to it. But I must confess that from my reading of the history of this place I am afraid it would be rash to assume that the efforts of the Leader of the Government, however zealous, will be crowned with complete success. After all, governments are not entirely free agents in the other place, however anxious they may be to get their legislation through in time to bring it up here for us to consider at our—I do not like to say "our leisure," but for us to consider it with due deliberation. Whatever their efforts, they may well be frustrated by the desire of the other house, a perfectly understandable and laudable desire, to give very full consideration to the legislation there. Sometimes, of course, one suspects that there is a certain degree of repetition and a certain degree of partisan ardour in the debates, failings for which this chamber is less remarkable, I think. But even apart from that, there may be delays in presenting legislation here even with the best will in the world on the part of the government.

• (2140)

That being so, I should like to suggest that the government consider very seriously introducing into this house a number of the bills contained in the list submitted by the Prime Minister for the other place at the opening of the session. I mentioned this to one member of this house who has had vast experience and he said at once, "Oh, they are pretty nearly all money bills and so we couldn't introduce them here." But I think that a glance at the 29 items in the list presented by the Prime Minister to the other place will show that quite a number of them are not obviously money bills. Of course there are certain ones which are, but there are others which it seems to me could well have been introduced here but which have already been introduced in the other place. I think there are still at least half a dozen which could perfectly be brought in here in the first place and given a careful examination here before going down to the other place, a process which I venture to think would save time for the government and for the House of Commons and would be in the public interest generally. We have had since 1947 a provision in our Rules whereby a minister could come here, present legislation and take part in the debate on the legislation and even in

the discussions in committee, although of course he could not vote. It seems to me that this is an eminently practical procedure and that the government might very well consider making some use of this particular device for expediting the work of Parliament and giving this chamber more adequate opportunity to perform its duties. I notice, for example, that there is a proposal for dealing with the fair employment practices legislation, with wildlife, with competition, with cigarette products, and, I think, with the territorial councils of the Yukon and the Northwest Territories and, of course, the Canada Labour Code.

Now, some people may say that we could not very well bring in any of those things here, but I really cannot see why not. Some of them surely are not matters of acute partisan controversy, and some others even if they are matters of strong partisan controversy might very well receive here the kind of careful investigation which our committees are accustomed to giving to legislation of this sort.

The other suggestion I have to make for improving the effectiveness of the Senate in the legislative process is that we should do again with a number of pieces of legislation that are to come up or have already come up in the other house what we did last year with the famous tax reform legislation. I have no wish to rekindle the fires which raged here at the end of December. I do not wish to rouse my friend Senator O'Leary, for example, to some more of those stinging, searing denunciations which he hurled at his colleagues who were not of his own party. I must say that I regret very much that he was not present to witness what he so yearned to see, the spectacle of nine Liberal senators voting against the government on a certain motion. However, I do not wish to go back into past history about that or to discuss whether in fact what we did was adequate. Personally I think it was, in all the circumstances. But I do say that if we are likely to be presented once again, as I fear we may be, with complicated legislation and with very little time to consider it at the proper stage here, we might very well do again what the Banking, Trade and Commerce Committee did on the Senate's instruction with the tax reform legislation. We might give these measures a very thorough going-over first before they come up here, a process which I think everybody will admit had some effect upon the tax reform legislation—not as much as some honourable senators would have liked, but undoubtedly some. It would be better than not being able to give the measures any real consideration at all.

Honourable senators, the last thing I want to talk about is, as I indicated earlier, a constitutional question. To my mind, one of the functions of this house should be to defend the Constitution, and the rights, not only of this house but of the other house and of the people, and for that reason I feel it necessary to draw to the attention of the Senate, and to comment on, certain erroneous statements on constitutional usage by a minister of the Crown on the first day of this session. He asserted that it is the first duty of the House of Commons to consider the Address in Reply to the Speech from the Throne, and that any other course would be a breach of the traditional courtesy extended to the Crown by the Commons. But, honourable senators, the minister was under a misapprehension and a misapprehension fraught with peril to the liberties of the House of Commons and of the people. For that reason I think his statements cannot be allowed to pass unchallenged.

I yield to no one in my loyalty and devotion to the Crown, and my respect not only for the traditional courtesies extended to the Crown by both Houses of Parliament but for all our parliamentary traditions, rooted in our heritage from the Mother of Parliaments and sanctioned by more than a century of our own usage. But in my judgment there is no conflict between the rights of the Crown and the rights of the people, and the rights of both Houses of Parliament, properly understood. It is the ancient and undoubted right of the House of Commons to consider any business it sees fit before taking into consideration the Speech from the Throne. That right, as we all know, is usually, although not invariably, asserted by giving first reading to a *pro forma* bill. That is done in this house, of course, as well as in the other, before the Speech from the Throne is considered. This practice dates from March 22, 1603, when the English House of Commons resolved, "That the first day of every sitting in every Parliament some one bill and no more receiveth a first reading for form sake". The reference is to *May's* Third Edition, page 188. In his Fifteenth Edition, at page 277, May says that this is done, and I quote directly:

> —in order to assert their right of deliberating without reference to the immediate cause of summons.

He adds that, "In the Commons the bill is only required to be read before the report of the Queen's Speech, and other business is constantly entered upon before the reading of the bill, as the issue of new writs, the consideration of matters of privilege, the presentation of papers and the usual sessional orders and resolutions."

In his Seventeenth Edition, at page 291, he adds:

> The order of business on the first day of a session should be:
>
> 1. Motions for the issue of new writs.
> 2. Sessional orders.
> 3. Private notice questions.
> 4. Oral notices of introduction of bills.
> 5. Matters of privilege.
> 6. The Queen's speech.

Now, of course, the Canadian Commons is not bound by all the rules and usages of the British House. By the way, if honourable senators should feel that this is a little tedious and rather antiquarian, I think that before I have finished I shall establish that there is some very distinct practical as well as symbolic importance in all of this. However, as I have said, we are not bound in this country by the rules and usages of either house of the British Parliament. We have produced our own variations. But in this matter those variations have only strengthened the insistence on the traditional British right. As early as 1845 in the oldest legislative body in this country, the Legislature of Nova Scotia—and here I should like to remind people in this part of the country that the Legislature of Nova Scotia has now been functioning for well over two centuries, long before any other legislature in this country—in that assembly, in 1845, a *pro forma* bill was passed before considering the Speech from the Throne. This

procedure was repeated in 1846. In 1847, the Nova Scotia Assembly went further, and before considering the Speech from the Throne it gave first reading to a bill which was not *pro forma*, but a piece of legislation which subsequently passed through all stages and received royal assent. In 1848 and 1849, the Nova Scotia Assembly returned to the *pro forma* bill. In the first session of the 1851 assembly it followed the precedent which was set in 1847. The second session of the 1851 assembly again returned to the *pro forma* bill.

• (2150)

In New Brunswick, the Loyalist province par excellence, where the traditional courtesy extended to the Crown would certainly be observed if it were ever to be observed, the Assembly introduced a *pro forma* bill even earlier than the Nova Scotia Assembly, in 1836. In all the four sessions which followed 1836, before giving consideration to the Speech from the Throne, the New Brunswick Assembly gave first reading to bills which subsequently went through all stages and received royal assent.

The Ontario and Quebec Assemblies, being of more recent vintage, cannot rival this record. However, each of these Assemblies in its first session gave first reading to a *pro forma* bill before giving consideration to the Speech from the Throne. To the best of my knowledge, this procedure has been invariably followed in both legislatures.

Our House of Commons did likewise in its first session. On the second day of that session, November 7, 1867, before the Speaker had even reported delivery of the Speech of the Throne, Sir John A. Macdonald moved first reading of Bill No. 1, an act respecting the administration of oaths of office—which, of course, is the *pro forma* bill which is still used today. This was done before any consideration was given to the Speech from the Throne. To the best of my belief, this practice has been followed in almost every session since.

What about the exceptions? Within my memory, there have been two—in 1926 and in 1950. However, they do nothing to invalidate the principle that the House of Commons has the right to discuss any business it wishes before considering the Speech from the Throne. On the contrary, both of these cases immeasurably strengthen that principle.

In the 1926 session, before the Speaker had even reported delivery of the Speech from the Throne, Mr. Lapointe, who was leading the government in the absence of the Prime Minister, who had been defeated in his own constituency, moved to assert the government's right to retain office in spite of the fact that it had only 101 seats to the Conservative's 116. The Leader of the Opposition, Mr. Meighen, promptly raised a point of order, that this motion required notice, which had not been given. The Speaker took the point of order under advisement over the weekend. However, while the matter was under advisement, he reported delivery of the Speech from the Throne, whereapon Mr. Lapointe moved that the Speech be taken into consideration at the next sitting, and that the Address in Reply take precedence over all other business except government orders, which he was careful to explain included his own motion that the government had the right to retain office.

To that motion, Mr. Meighen moved an amendment of want of confidence. And it was a corker of an amendment. It left nothing to the imagination. It was couched in Mr. Meighen's characteristically trenchant style, and that amendment of want of confidence was debated for more than four full days and pressed to a division. Only when this matter had been disposed of was the Address moved. Mr. Lapointe's original motion disappeared. It went into limbo. Only when the motion of want of confidence had been defeated was the Address in Reply to the Speech from the Throne moved.

A more striking exception, of course, was in 1950 when Parliament was summoned to deal with the railway strike and send the railway workers back to work. The first proceedings at that time were the announcements of vacancies and the introduction of new members. Then the Prime Minister, Mr. St. Laurent, moved first reading of Bill No. 1. Well, there was nothing extraordinary about that, except that Bill No. 1 this time was not the *pro forma* bill. It was an Act for Maintenance of Railway Operations, which sent the striking railway workers back to work with compulsory arbitration. The Speaker then reported delivery of the Speech from the Throne. There was a motion for certain changes in the standing orders, followed by a motion to take into consideration the Speech from the Throne as soon as Bill No. 1 had been disposed of. This was followed by a statement of transfer of certain duties from the Solicitor General to the Minister of Justice, an announcement setting up the Internal Economy Commission, tributes to Mr. King, to deceased members, and to the Honourable Pierre Casgrain, and the announcement of certain appointments to the ministry.

Then came second reading of the Act for the Maintenance of Railway Operations, Bill No. 1, which took the greater part of two days. The bill was passed and came to this chamber. This was followed by notice of royal assent to the bill, the tabling of certain orders in council, and remarks dealing with the placement of division bells in the restaurant and cafeteria. These were followed by royal assent and adjournment. The following day, after prayers and presentation of reports, a statement on Canadian National Railways, and four questions on the Orders of the Day, the Address was moved and seconded. In other words, there was a large amount of business transacted, one part of it being of immense importance. This was before the Speech from the Throne was even considered.

There are certain events in two other sessions of recent years which are relevant. On January 25, 1940, Parliament was summoned for the famous one-day session, or three-hour session, which I am in the habit of calling the addled session. The other place met at 3 o'clock, and after the announcement of vacancies and the introduction of new members, the Prime Minister, Mr. King, duly moved the *pro forma* bill, No. 1. He then tabled certain orders in council, and the Speaker announced the appointment of an Acting Deputy Sergeant at Arms. Mr. King then moved adjournment and, despite the fact the motion was not debatable, he graciously agreed to allow the Conservative and CCF leaders to speak. The House rose at six o'clock for the dinner recess and was immediately dissolved by the Governor General. There was not even a motion for

consideration of the Speech from the Throne. So much on that occasion for the alleged first duty of the House of Commons and the traditional courtesy to the Crown.

In 1968, the present Prime Minister moved first reading of *pro forma* bill, No. 1, before the Speaker had even reported delivery of the Speech from the Throne. Following that, the Prime Minister moved that the speech be taken into consideration at the next sitting. He then presented the house with a list of bills which the government proposed to introduce. This was followed by tributes to Mr. Colin Cameron, an announcement of the setting up of the Internal Economy Commission, provision for the appointment of standing committees, and the appointment of the chairman and deputy chairman of committees. On the following day, there was a statement on the introduction of bills in bilingual form, followed by a motion for temporary continuance of the provisional rules of the previous session, and no less than 35 questions on the Orders of the Day. And only after all this occurred did the house proceed with its alleged first duty, the consideration of the gracious Speech.

Honourable senators, the ancient and undoubted right of the Commons to consider anything it wishes before dealing with the Speech from the Throne is not merely a quaint custom or a matter of mere symbolic, historic, theoretical or academic interest. It can have great practical importance as the events of 1926 and 1950 have shown.

• (2200)

It is not impossible—I hope it will not happen, but between what I hope for and what actually takes place there is often a great gulf fixed—that we may again have in this country a minority government emerging from an election. That is by no means impossible. If that situation arises, that minority government may then wish to do exactly what the Honourable Ernest Lapointe wanted to do in 1926, and secure immediately from the House of Commons an endorsation of its right to remain in office, if it decides to remain in office, and not resign immediately as Mr. St. Laurent did in 1957. It is not impossible that the Opposition in such circumstances might wish to do exactly what the Opposition did in 1926, present a motion of want of confidence immediately, before taking into consideration the Speech from the Throne. This, like nearly every other constitutional usage, is based on common sense because, after all, what is the use of proceeding to consider a Speech from the Throne which represents the policy of a government which is defeated? We must start again from square one. It is better to decide at once, as was done in 1926, whether or not this minority government should continue to retain office. If the house is not prepared to retain it in office, then time is not wasted going through a long rigmarole on the Address in Reply to the Speech from the Throne when the whole thing is going to be thrown in the wastebasket anyway.

Again I hope it will not happen, but it is not impossible that we may have an industrial dispute in some essential industry. I do not think I can be accused, in the light of recent events, of drawing a long bow here, or giving free rein to my imagination. It is perfectly possible that we may again have the kind of situation that we had in the summer of 1950, a stoppage of work in an essential industry and a decision by the government of the day that it is necessary to get that industry going immediately and the workers back to work; necessary, therefore, to pass emergency legislation for that purpose. If that happens, as it could, then again it would be simply common sense for the government of the day to follow the practice of Mr. St. Laurent in 1950 and get the necessary legislation through double quick; that is, just as fast as the two houses see fit to pass it. I am not, of course, suggesting that closure or anything of that sort should be used, but there should not be the delay occasioned by eight days of debate on an Address in Reply to the Speech from the Throne.

Honourable senators, I wish to emphasize that I do not argue that we should preserve ancient institutions and practices out of mere ancestor worship. I do argue most strongly, however, that we should not allow ancient rights and liberties of the people and the people's representatives to be eroded or taken away, except after due deliberation by, and conscious decision of, the people and their representatives. That is the reason I have thought it necessary to call attention to the unfortunate statement of the Leader of the House of Commons at the opening of this session.

I am confident that the minister had no intention of trenching upon the rights of the Commons. I am sure that on reflection he must have realized that he had said rather more than he intended, and more than the facts warranted. But to allow such statements from so high a quarter to pass unchallenged might have led to a widespread and totally unfounded belief that this was an authoritative statement of the constitutional position. This would have been doubly dangerous at a time when executive power is constantly growing and when, therefore, preservation of the rights of Parliament and of the people calls, as never before in my judgment, for the constant vigilance of us all and particularly of members of this chamber.

As Edward Blake said in 1873:

> It makes no difference to a free people whether their rights are invaded by the Crown or by the Cabinet. What is material is to secure that they shall not be invaded at all.

On motion of Hon. Mr. Bonnell, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX "A"

(*See p. 80*)

PENITENTIARIES

NUMBER OF INMATES ON TEMPORARY ABSENCE ON A REGULAR BASIS AS OF NOVEMBER 30, 1971

	Pre-Release Employment	Regular Employment	Educational Purposes	Other
Springhill	—	—	2	1
Dorchester	—	—	—	1
Dorchester Farm	—	—	—	—
Blue Mountain	—	1	—	—
Sub-Total	—	1	2	2
St. Vincent-de-Paul	—	—	—	—
Laval Minimum Security	—	—	3	—
Federal Training Centre	—	—	—	—
Leclerc	—	—	1	—
Archambault	—	—	—	—
Ste. Anne des Plaines	—	—	—	—
Cowansville	—	9	7	—
S.C.U. (Que.)	—	—	—	—
St. Hubert Centre	2	11	3	3
Sub-Total	2	20	14	3
Kingston	—	—	—	—
Millhaven	—	—	—	—
Prison for Women	1	5	8	—
Collins Bay	—	5	3	—
C.B. Farm	2	3	2	2
Landry Crossing	—	3	2	8
Beaver Creek	2	6	24	—
Joyceville	—	—	—	4
Joyceville Farm	—	2	5	7
Warkworth	—	8	—	—
Montgomery Centre	14	7	—	4
Sub-Total	19	39	44	25
Manitoba	—	—	—	—
Manitoba Farm	—	—	—	—
Saskatchewan	—	—	—	—
Saskatchewan Farm	—	—	—	—
Drumheller	3	25	1	—
British Columbia	—	—	—	3
William Head	—	—	1	—
Matsqui—Male	—	12	3	24
Mountain Prison	—	4	—	—
Agassiz	1	7	—	4
West Georgia Centre	5	4	3	2
Osborne Centre	3	1	1	5
Sub-Total	12	53	9	38
Total	33	113	69	68
TOTAL	283			

APPENDIX "B"

(*See p.* 80)

REPORT OF DEATHS IN FEDERAL PENITENTIARIES
1969—1971

Inmate No.	Name	Date of Death	Age	Cause of Death	Sentence	Institution
8907	King, G. H.	12/ 1/69	76	Heart attack	Life: 1. Murder 2. Parole violation	Beaver Creek
1800	Cipolla, C.	12/ 1/69	55	Cerebral hemorrhage	20 years: Conspire to traffic in a drug	Kingston
2040	Slugeis, M.	13/ 1/69	69	Acute heart failure	Life: Shooting with intent	Penateng
3199	Courchesne, C.	23/ 1/69	40	Coronary thrombosis	3 years, 7 mos: 1. Forgery 2. Uttering 3. False pretences	Leclerc
8677	Cicchini, N.	27/ 1/69	72	Myocardial infarct	12 years: 1. Counterfeiting. 2. Drug trafficking	Joyceville
2364	McKenzie, P.	31/ 1/69	49	Carcinoma	7 years: Robbery with violence	Kingston
1321	Huppe, G.	7/ 2/69	37	Suicide by hanging	5 years: 1. Auto theft 2. Fraud 3. False pretences	Saskatchewan
464	Duke, B. J.	9/ 4/69	23	Broncho pneumonia	2 years plus indefinite: 1. Attempt to break prison 2. Possesses offensive weapon	Stony Mountain
9945	Dumont, P.	25/ 4/69	43	Myocardial infarct	18 years: 1. Armed robbery 2. Theft 3. Break, enter and theft 4. Discharge firearm with intent	St. Vincent-de-Paul
9865	McLellan, K.	20/ 5/69	21	Uremia	3 years: Arson	Springhill
544	Williams, E. H.	3/ 6/69	66	Myocardial infarct	4 years: 1. Unlawful possession 2. False pretences with intent to defraud	Dorchester
4341	Samson, H.	18/ 6/69	56	Carcinoma	35 years: Armed robbery	St. Vincent-de-Paul
279	Poitras, H. A.	2/ 7/69	44	Coronary thrombosis	2 years: Theft	Dorchester Farm Annex
5083	Fougere, A.	8/ 7/69	26	Acute coronary thrombosis	5 years: 1. Break, enter and theft 2. Theft under $50	Kingston
2223	Fiddler, G. F.	9/ 7/69	20	Suicide by hanging	1 year, 21 mos: 1. Theft over $50 2. Escape custody 3. Assault causing bodily harm	Saskatchewan
4060	Parizee, A.	17/ 7/69	63	Peritonitis	2 years: Robbery	St. Vincent-de-Paul
4430	Forrester, J.	2/ 8/69	57	Carcinoma	2 years: Fraud	Joyceville
533	Harting, M.	19/ 8/69	33	Coronary arrest	1 mo. plus 1441 days: 1. Intent to wound causing bodily harm 2. Forfeiture of parole 3. Escape	Prison for Women

Inmate No.	Name	Date of Death	Age	Cause of Death	Sentence	Institution
3003	LaFlamme, P.	14/ 9/69	30	Ingestion of prestone	3 years plus 342 days: 1. Armed robbery 2. Auto theft 3. Possession of firearm 4. Robbery 5. Failure to stop at scene of accident	LeClerc
3754	Faille, R.	30/10/69	26	Suicide by hanging	2 years: Auto theft	St. Vincent-de-Paul (Psychiatric Ward)
4875	Emond, J. G.	13/11/69	37	Suicide by hanging	Life: Non-capital murder	St. Vincent-de-Paul
6216	Hachey, B.	24/12/69	19	Apparent suicide by burning and suffocation	5 years: 1. Break, enter and theft 2. Break, enter with intent 3. Theft	Kingston
4238	Charette, G.	25/12/69	40	Heart failure	4 years: Armed robbery	LeClerc
8834	Harrison, S.	30/12/69	65	Heart attack and pneumonia	Life: Manslaughter	St. Vincent-de-Paul (Psychiatric Ward)
9804	Levesque, V.	5/ 1/70	30	Suicide by hanging	38 years: 1. Rape 2. Robbery with violence	St. Vincent-de-Paul (Psychiatric Ward)
2157	McKenzie, J. D.	1/ 2/70	40	Suicide by hanging	2 years: Possession of stolen property	Saskatchewan
471	Janke, L. E.	1/ 2/70	21	2nd and 3rd degree burns (murdered)	4 years: Incest	Drumheller
4740	Belair, P. E.	4/ 2/70	50	Suicide by hanging	20 years: Manslaughter	St. Vincent-de-Paul
4140	Williams, H. J.	9/ 2 /70	68	Natural causes	Life: 1. Murder 2. Robbery with violence	Penateng
5570	Colahan, M.	14/ 2/70	18	Suicide by hanging	2 years: Assault with intent to steal	St. Vincent-de-Paul
5525	Carmatta, L.	5/ 3/70	43	Suicide by hanging	2 years: Robbery	St. Vincent-de-Paul
2498	Lukala, W. R.	16/ 3/70	46	Carcinoma of the colon	15 years: Manslaughter	Kingston
3456	Togher, A.	24/ 3/70	43	Suicide by hanging	Life: Murder (4 charges)	St. Vincent-de-Paul (Psychiatric Ward)
5504	Tousignant, J.	28/ 3/70	49	Suicide by hanging	2 years: Break, enter and theft	LeClerc
4450	Bankz	1/ 4/70	32	Injuries received while attempting to board train	3 years: 1. Break, enter and commit 2. False pretences 3. Attempted forgery 4. Theft over $50	Mountain
5080	Ingram, C. W. A.	6/ 4/70	30	Suicide by hanging	3 years: 1. Break, enter with intent 2. Break, enter and commit	British Columbia
9297	Davis, G.	19/ 4/70	61	Suicide by hanging	Life: Armed robbery	Penateng
5136	Boyd, M. A.	21/ 4/70	32	Shot by police while resisting arrest	5 years: 1. Break, enter with intent 2. Possession of drugs for purpose of trafficking	British Columbia

Inmate No.	Name	Date of Death	Age	Cause of Death	Sentence	Institution
5854	Ingram, J. W.	30/ 4/70	48	Coronary thrombosis	3 years: 1. Possession of stolen property 2. Possession of housebreaking tools	Joyceville
9716	Cayer, R.	3/ 5/70	60	Coronary thrombosis	14 years: 1. Indecent assault 2. Abduction of child under 14	Archambault
4629	McLean, R. A.	5/ 5/70	52	Lung cancer	6 years: Manslaughter	Mountain
5839	Boucher, J.	17/ 5/70	17	Suicide by hanging	2 years: Armed robbery	St. Vincent-de-Paul
5774	Prince, W.	19/ 5/70	52	Suicide by hanging	3 years and 5 lashes: Incest	St. Vincent-de-Paul
2359	LaForte, F. D.	1/ 6/70	20	Suicide by hanging	2 years, 6 mos: 1. Break, enter and theft 2. Break, enter and commit 3. Escape	Saskatchewan
4918	Aube, F.	3/ 6/70	41	Myocardial infarct	Life: Non-capital murder	LeClerc
5083	Yellowhorn, R. B.	11/ 6/70	33	Suicide by hanging	Life: Non-capital murder	British Columbia
4000	Spreckley, M.	21/ 6/70	45	Cancer of the liver	10 years: Drug trafficking	Matsqui
5258	Moody, B.	25/ 6/70	22	Suicide by hanging	2 years: Break, enter and commit	William Head
5436	Macpherson, H. D.	24/ 7/70	43	Subarachnoid hemorrhage	713 days: Parole forfeiture	Mountain
5082	Brass, W.	4/ 8/70	26	Cerebral hemorrhage	12 years, 580 days: 1. Possession (2 charges) 2. Robbery with violence (3 charges) 3. Armed robbery 4. Break, enter and commit (2 charges) 5. Forcible confinement	British Columbia
5615	Henry, E.	10/ 8/70	49	Coronary disease	3 years: Possession of stolen property	Joyceville
8535	Circillo, M.	22/ 8/70	29	Suicide by hanging	Life plus Life: 1. Non-capital murder 2. Attempted murder in penitentiary	St. Vincent-de-Paul (Psychiatric Ward)
1469	Perron, M.	31/ 8/70	27	Suicide by hanging	10 years: Armed robbery (3 charges)	St. Vincent-de-Paul
851	Malcolm, R. J. G.	6/ 9/70	22	Suicide by hanging	3 years: Break, enter and theft (2 charges)	Dorchester
5745	Marchand, R.	13/ 9/70	40	Coronary thrombosis	5 years: Armed robbery	LeClerc
5568	Knutson, A.	14/ 9/70	68	Heart attack	2 years: 1. Possession of stolen property 2. Conspire to commit theft 3. Theft over $50	Mountain
802	Garland, G. A.	29/ 9/70	50	Congestive cirrhosis	3 years: False pretences	Dorchester
980	Sinoway, C.	9/11/70	43	Suicide by hanging	3 years: 1. Robbery with violence 2. Assault	Stony Mountain

Inmate No.	Name	Date of Death	Age	Cause of Death	Sentence	Institution
2561	Manilla, S.	10/11/70	54	Arterio sclorotic cardio vascular disease	Indeterminate: 1. Parole forfeiture 2. Possession of narcotics	Matsqui
7925	Clements, G. S.	27/11/70	28	Inhalation and ingestion of toxic substances	10 years: 1. Attempted murder 2. Indecent assault on a male 3. Escape 4. Break, enter and theft	Dorchester
1005	Brown, A. E.	28/11/70	51	Carcinomatosis	5 years: Arson	Dorchester
803	Arbuckle, D. E.	6/12/70	22	Suicide by hanging	455 days: Parole revocation	Dorchester
943	Asham, W. J.	6/12/70	23	Suicide by hanging	12 years plus 580 days: 1. Break, enter and commit 2. Armed robbery 3. Forcible confinement	Saskatchewan
2794	Rogers, R. R.	8/12/70	56	Cancer	2 years, 6 mos: 1. False pretences 2. Fraud	Saskatchewan
7132	Spilchen, E. J.	3/ 1/71	38	Suicide by hanging	5 years: 1. Possession 2. Break, enter with intent 3. Possession of an offensive weapon	Kingston (Psychiatric Ward)
5579	Latour, J. R.	7/ 1/71	68	Lung cancer	3 years: 1. Intent to defraud 2. Possession of housebreaking tools	St. Vincent-de-Paul
5957	Peterson, W. W.	3/ 2/71	54	Epileptic seizure and asphyxia	2 years: Assault causing bodily harm	Joyceville
1882	Bullock, A. R.	8/ 2/71	43	Drinking methylhydrate	16 years: Armed robbery	Saskatchewan
6734	Greenley, W. J.	14/ 2/71	54	Cardiac failure	10 years: Break, enter and theft	Joyceville
6208	LaPerriere, R.	6/ 3/71	46	Myocardial infarct	Indeterminate: 1. Indecent assault 2. Gross indecency 3. Assault with bodily harm 4. Parole revocation	St. Vincent-de-Paul
7147	Hunt, L.	10/ 3/71	63	Acute Biocardial infarct	Preventive detention (Dangerous sexual offender)	Ponoka Mental Hospital
5540	Curley, J.	11/ 3/71	24	Drowning	4 years: 1. Rape 2. Break, enter and theft	William Head
2229	Nadeau, R.	24/ 3/71	33	Shot by Montreal police while illegally at large	10 years: 1. Rape 2. Armed robbery	LeClerc
5769	Quesnel, J.	26/ 3/71	22	Suicide by hanging	20 years: Manslaughter	St. Vincent-de-Paul
5836	Bendell, J. T.	29/ 3/71	50	Drinking paint thinner	3 years: Break, enter and theft	Mountain
5603	Levy, V. L.	30/ 3/71	41	Drinking paint thinner	Indeterminate: 1. Possession of stolen property 2. Parole forfeiture	Mountain
3718	Lavesque, J.	16/ 4/71	34	Shot while on temporary absence	5 years: Attempted auto theft	St. Vincent-de-Paul
5714	Henderson, W. D.	18/ 4/71	24	Altercation with another inmate	5 years: Possession of narcotics	Matsqui

Inmate No.	Name	Date of Death	Age	Cause of Death	Sentence	Institution
9370	Ensor, D.	18/ 4/71	26	Killed in riot	Preventive detention: Dangerous sexual offender	Kingston
5264	Bell, A.	19/ 4/71	64	Heart attack	5 years: Indecent assault on a female (3 charges)	Joyceville
2151	Langevin, D.	7/ 5/71	30	Suicide by hanging	20 years: Armed robbery	St. Vincent-de-Paul (Psychiatric Ward)
1386	Dillon, J. F.	15/ 5/71	47	Cardiac disease	Preventive detention: Parole revocation	Matsqui
6709	Robert, B. H.	16/ 5/71	34	Injuries received in riot	6 years: Assault causing bodily harm to own children	Kingston
621	Potoralski, E. J.	28/ 5/71	35	Cardiac arrest	10 years: 1. Robbery 2. Attempt to break and enter with intent 3. Theft	Stony Mountain
6834	Turcotte, R.	29/ 5/71	26	Suicide—slashed left arm	4 years: Armed robbery	St. Vincent-de-Paul
1255	Gillespie, D. V.	1/ 6/71	17	Suicide—plastic bag over head	3 years, 6 mos: 1. Theft 2. Taking motor vehicle without owner's consent	Springhill
201	Stewart, W. A.	3/ 6/71	49	Coronary occlusion	5 years: Indecent assault on a female under 12.	Dorchester
7279	Plamondon, C.	4/ 6/71	45	Heart attack	4 years: 1. Uttering forged documents (7 charges) 2. Fraud (7 charges)	Beaver Creek
410	Morin, J.	8/ 6/71	33	Stabbed with pointed instrument	15 years: 1. Assault 2. Armed robbery	Archambault
967	Regimbald, V.A.	22/ 6/71	40	Pulmonary embolism	3 years: 1. Break, enter and theft 2. Theft under $50	Stony Mountain
1238	Maharr, R. T.	28/ 6/71	45	Carcinoma	3 years: Robbery	Dorchester
2556	Beitz, T.	2/ 7/71	27	Injuries received in vehicle accident while on temporary leave	2 years, 1079 days: 1. Break, enter and theft 2. Parole forfeiture	Beaver Creek
5431	Lauzon, O. F.	10/ 7/71	58	Coronary thrombosis	5 years: 1. Auto theft 2. Theft	LeClerc
8493	Craig, A. F.	16/ 7/71	60	Heart attack	Life: Non-capital murder	Blue Mountain
9718	Walsh, J. D.	1/ 8/71	58	Heart attack	Life: Non-capital murder	Blue Mountain
826	Gaudet, A.	15/ 8/71	37	Result of attempted suicide 2/1/71	9 years, 355 days: 1. Armed robbery 2. Attempted armed robbery (4 charges) 3. Robbery (4 charges)	St. Vincent-de-Paul
6611	Atcheson, W. E.	25/ 9/71	70	Bronchial pneumonia & cancer of the liver	Preventive detention (habitual): 1. Forged documents 2. Possession of narcotics	Joyceville
1263	Foresta, F.	26/ 9/71	48	Suicide by hanging	5 years: Causing bodily harm with intent to wound	Stony Mountain

Inmate No.	Name	Date of Death	Age	Cause of Death	Sentence	Institution
9305	Russell, J. A.	27/ 9/71	33	Killed in accident while operating overhead loader	4 years, 15 mos: 1. Break, enter and commit 2. Theft	Saskatchewan
974	Collins, P. R.	11/10/71	33	Drowned while attempting escape	6 years: 1. Break, enter and theft (8 charges) 2. Break, enter with intent	Dorchester
7166	Sylvain, J-M.	20/10/71	32	Suicide by hanging	5 years: 1. Armed robbery 2. Contributing to juvenile delinquency	Federal Training Centre
6209	Frappier, F.	10/11/71	56	Myocardial infarct	4 years: 1. Fraud 2. Counterfeiting	LeClerc
6032	Ducharme, G.	12/11/71	35	Gastrointestinal hemorrhage	15 years: 1. Assault 2. Manslaughter 3. Attempted escape	Special Correctional Unit
5217	Fournier, U.	20/11/71	27	Killed in auto accident	1092 days: 1. Robbery with violence 2. Parole forfeiture	Beaver Creek
1552	Drouin, J. L.	16/12/71	43	Stabbed in kitchen by another inmate	Preventive detention: 1. Possession 2. False pretences 3. Parole forfeiture	Stony Mountain

25312—7½

THE SENATE

Wednesday, March 8, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Supplementary Estimates (B) for the fiscal year ending March 31, 1972.

Report of Information Canada for the fiscal year ended March 31, 1971.

THE ESTIMATES

SUPPLEMENTARY ESTIMATES (B) REFERRED TO NATIONAL FINANCE COMMITTEE

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (B) laid before Parliament for the fiscal year ending the 31st March, 1972.

Motion agreed to.

SCIENCE POLICY

ADDITION TO COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

That the name of the honourable Senator Bonnell be added to the list of senators serving on the Special Committee of the Senate on Science Policy.

Motion agreed to.

FOREIGN AFFAIRS

MOTION AUTHORIZING COMMITTEE TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH EXPANDED EUROPEAN COMMUNITIES—DEBATE ADJOURNED

Hon. John B. Aird moved pursuant to notice:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report on Canadian relations with the expanded European Communities.

He said: Honourable senators, this afternoon I would like to speak briefly concerning the activities of the Senate Foreign Affairs Committee.

The study of Canada's relations with the countries of the Pacific, which followed our examination of Canada-Caribbean relations, has now been completed. The Pacific area report has been approved by the committee; it is now at the printers and we hope to be able to table it in the very near future, with a target date of Wednesday, March 22. After some consideration the members of the committee have decided that the next area for examination should be Canada's relations with Western Europe, particularly with the European communities.

As we are all aware that Europe, and particularly Western Europe, has always been an area of particular meaning for Canada, I do not need to recite for you the many cultural, political, military and economic ties and links that Canada has had with Europe. Our country has been peopled by successive waves of immigrants from there over many centuries, and many of us cherish close family and sentimental ties.

As a result, despite our increasingly close relationship with the United States, particularly in economic matters, Canadians continue to regard Western Europe as an area of special importance and significance to this country.

Events in Western Europe have been developing very rapidly in recent years. The post-World War II impetus toward greater unity has already led to the astonishing success of the European community in the economic field.

There can be no doubt that the development of the economic community is having, and will increasingly have, a major impact on Canada. Yet, since the publication two years ago of the government's foreign policy papers, there has been very little discussion of Canada's relations with Europe or with the European Economic Community. As an example, the visit to Ottawa last fall of Mr. Malfatti, President of the European Economic Commission, passed almost unnoticed by the press. Canadians appear to have been slow to realize the effect on Canada of an enlarged European Economic Community.

Already the European Economic Community has become one of the three most powerful economic units in the world, rivalled only by the United States and Japan. With the entry of four new member nations—the United Kingdom, Denmark, Norway and Ireland—into the common market, the six will grow to ten and will form an economic unit with a larger population than that of the United States. On a per capita basis it already imports four times more than the United States. Its gross national product is two-thirds that of the United States, and it seems likely to grow at a faster rate. Further, the European Common Market, in developing a series of trade relationships with countries around the Mediterranean and among former colonies of member states in Africa, will soon encompass 45 per cent of all world trade.

Honourable senators, what are the implications of these major developments for Canada? The hard fact which Canada will have to face is that after the entry of the four new members into the EEC, and after the trade agreements are completed between the EEC and the remaining members of the European Free Trade Association, including Sweden, Austria, Switzerland and Portugal, Canada will be confronted by a huge bloc of nations across the Atlantic. This bloc will stretch from the northernmost tip of Norway to the northern border of South Africa, and it will be held together by a variety of agreements. These agreements in one way or another will favour internal

trading arrangements among members and associates; they will discriminate against all outsiders.

• (1410)

The question is, honourable senators, where does this leave Canada, a nation so heavily dependent on its export trade? It is a sobering question; all the more sobering because Canada is, at this time, actively seeking to diversify its trading relations. As a great trading nation, Canada is finding it obviously unwise to become increasingly dependent upon a single market. In order to maintain a certain and most necessary flexibility, it appears essential to strengthen Canadian trade with other countries.

Honourable senators, you will find in the committee's report on the Pacific area our recommendations for stimulating Canadian trade with the Pacific countries. But Canada must also look east as well as west in order to diversify her trade. This is one of the reasons that our committee considers it necessary to turn now to an examination of Canadian relations with the enlarged EEC.

Briefly, let me give you a few figures about this remarkable organization. In 1970 the EEC imported $45 billion worth of goods and services from the outside world. That was an increase of 17 per cent over 1969. It has been estimated that by 1980 the enlarged community of almost 300 million people could develop into an import market amounting to $130 billion. In 1958 the GNP of the community was $175 billion. In 1970 it was $500 billion. It is now projected at $700 billion for 1980. The order of magnitude of these statistics speaks for itself.

The entry of the United Kingdom into the EEC is, of course, of vital interest to Canada since this means the elimination of Canada's long-standing preferential access to the British market. Although a transitional period for gradually phasing out these preferences has been arranged, and some items have been granted continued favourable access, nevertheless it has been estimated that 45 per cent of our exports to Britain, which have a value of over $600 million, will face more difficult tariff barriers beginning next year.

Honourable senators, I have stressed the economic challenges for Canadians in the new Europe of today, and these are the ones of most obvious and tangible importance. However, I would suggest in the light of the other close ties which we have with Western Europe—political, cultural and military ties, quite apart from the ties of individual Canadians—that it would be a matter of some considerable concern if the expanded EEC were to turn inward on itself and have a decreasing interest in the rest of the world, including Canada. Clearly, there are dangers as well as possibilities for Canada in the developing EEC and we must understand them more fully. Obviously, we need a wide range of links with Western Europe, if we are not to become a purely North American country.

It is for all these reasons that the Standing Senate Committee on Foreign Affairs considers that an examination of Canada's relations with the expanded European Economic Community would be of prime importance. I therefore commend this motion for your consideration.

Hon. Mr. O'Leary: May I ask a question? What percentage of Canada's exports did the EEC countries take in 1970, and, if you have the figures, what percentage did they take in the last month of that year?

Hon. Mr. Aird: Senator O'Leary, my authority for my statistics is *Foreign Trade*, September 1971. Could I commend it to you for those figures? I do not have them at my fingertips, but, speaking from memory, sir, I think that the import figure for the United Kingdom was $1.5 billion; the figure to the European Economic Community was $1.2 billion, and the total import figure for 1970 was $2.7 billion.

Hon. Mr. O'Leary: I think they actually took less than 2 per cent of our exports for the last year for which figures are available.

Hon. John J. Connolly: Honourable senators, Senator Aird asked me if I would second this motion and I am indeed happy to do so. I find in the short time that has passed since he asked me I have had little opportunity to prepare. But I did recall that back in 1959 the Senate itself engaged upon a debate with reference to the then recently formed European Common Market. I had thought that our leader at that time, the Honourable Wishart Robertson, introduced that debate but I find on looking into the matter that he asked me to do so and I did it on March 18, 1959. That debate had to do with the formation of the group that actually was known as the "Six".

This inquiry by the Standing Senate Committee on Foreign Affairs, which, as I say, I commend, is of course primarily about trade. We are all conscious of the fact that almost to the exclusion of every other trading country in the world, our trade is with the United States. Close to 80 per cent and sometimes more than 80 per cent of our trade is with that country. The value of our exports to the American market is now well over $8 billion annually.

Hon. Mr. Aird: It is nearly $12 billion.

Hon. Mr. Connolly: Yes, it could be $12 billion now but I am talking of the figures available for 1969 which I used on one occasion, and I did not have an opportunity of getting the later ones. In 1969 the figure was close to $9 billion, and the value of imports, goods and services brought across the border, apart from capital inflows, was almost the same.

President Nixon, in a speech not too long ago, talked about the trading patterns developing in the world. We should be very conscious of the fact that new trading patterns are developing. He listed five economic superpowers, as he called them: the Unites States, the European Economic Community, Japan, U.S.S.R. and China. Three of these superpowers of course have free, open economies like ours. The others are controlled economies. In respect of Japan there is an element of control because, as we know from our study of the Pacific rim in this committee, Japan uses the device of state trading agencies much more than we do in Canada, for example, and, I daresay, much more than the other free economies of the world.

• (1420)

Senator Aird has referred to figures which indicate the importance to Canada of the expanded European Economic Community. The figures which I have are relatively the same. First of all, we should consider the relative

population of the United States to that of the community. In 1971, the total population in the United States was 207 million. In that same year in the expanded Community the population was 257 million. In 1970, the gross national product of the United States was $976 million. In the same year, the GNP of the ten countries in the expanded community was $621 billion. This would probably indicate that although there are more people, there is a relatively lower standard of living in the community than exists in the United States.

In the United States between the years 1965 and 1970 the growth of the gross national product averaged 3.2 per cent while the growth of the GNP of the six countries involved in the community, as it was originally established, was 2 per cent higher than the growth of the GNP in the United States in that five-year period. The average growth of the GNP per annum in the community was 5.2 per cent. This would indicate that the rate of growth, the increase in value of goods and services in the European Economic Community, is advancing at a greater rate than would be the case in the United States, but undoubtedly from a lower base.

In the United Kingdom, one of the important new elements in the community, the average growth of the GNP for the same five-year period was two per cent.

No doubt we will be comparing the level of foreign currency reserves in the United States with those which exist in the United Kingdom. In 1971, the level of foreign currency reserves in the United States was $11.5 billion. In that same year in the expanded community the level of foreign currency reserves was $43 billion, nearly four times greater than the American level.

Senator Aird has referred to the extensive trading activity of Western Europe. This is reflected, in part, by the figures for gross tonnage of the merchant fleet. In the United States it is 19.5 million tons while in the community it is 75 million tons.

Senator O'Leary queried Senator Aird regarding exports and imports from Canada to the community. I have some figures which will, perhaps, indicate the importance of exploring and strengthening Canadian trading relations with Western Europe, particularly with a few individual countries.

In 1969 Canadian exports to the Common Market, to the six, were worth $840 million. In that same year Canadian exports to just one of the new countries, the United Kingdom, were $1.09 billion. By 1970 Canadian exports to the community, the six, had increased from $840 million to $1.188 billion. Our exports to the United Kingdom had dropped slightly behind and stood at $1.08 billion. In the same two years, however, Canada imported from the community $789 million worth of goods in 1969 and $804 million worth in 1970. Our imports from the United Kingdom were slightly more than those from the community. In 1969 they were $790 million plus. They fell off a little in 1970, to $738 million. Surely Canada is most interested in economic growth within the expanded community, and increasing her trade with the group.

We also, however, have an interest in preserving and maintaining our traditional trade with the United Kingdom. I hope the committee will investigate and pinpoint the great degrees of difficulty and try to find ways to ensure that those markets, to the extent possible, are preserved and retained. This is important, for I assume that the market in Canada for United Kingdom goods is likely to remain at relatively the same level, at least, as heretofore.

Now, how are these new trading arrangements with the expanded community to be established? What devices are we to use? The committee, of course, will explore this. Basically, I suppose there is no doubt that there is no substitute for salesmanship. Canadian producers and exporters unquestionably must sell Canadian goods, quality goods, at competitive prices in the foreign markets. This is not easy of achievement, considering the high income levels and the high standard of living which we enjoy in this country. Between free economies there is no substitute, of course, for salesmanship.

Governments, however, can do a great deal in arranging, through agreements, trade pacts and mutual reductions of tariffs and other obstacles to trade, to facilitate the flow of goods and services between their countries. I think for a trading nation such as Canada one could expect that our government would always be alert to the importance of this work. Officials within the Public Service, both of Canada and of countries with which Canada desires to increase her trading arrangements, can do very much indeed to open channels and free bonds that make trading difficult.

• (1430)

Honourable senators, during the course of a briefing for the Canada-United States Interparliamentary Group, Canadian officials spoke to us about the importance of trade between Canada and the enlarged community. They said it was important for Canada to develop a trading climate in which relations could be improved.

I remember asking on that occasion what parliamentarians could do in that respect. As we know, approaches have already been made from European parliamentarians. We have close relations with parliamentarians in the United Kingdom. There have been visits by Canadian parliamentarians to the Council of Europe, and approximately a year ago we in Canada were visited by representatives of the Council of Europe. At that briefing we discussed for a few moments the wisdom of Canadian backbenchers having discussions with parliamentarians from the various countries within the community or with representatives of the Council of Europe at Strasbourg.

Hon. Mr. Martin: The consultative committee.

Hon. Mr. Connolly (Ottawa West): The officials felt that such an exchange could achieve nothing but good, that European parliamentarians would be able to return to their own parliaments and discuss the Canadian attitude toward trade.

In Paris, about 1960, Senator Beaubien and I spoke to representatives of the Council of Europe. They were urging Canadian participation in the work of the council. We pointed out that our parliamentarians were represented on so many international organizations that it was difficult to ask them to join another. The situation may have changed since then, and although it may not be strictly within the terms of reference of Senator Aird's

motion, this may be an opportune time for an examination of the broad aspects of trade promotion. The place of parliamentarians in trade promotion is something that might be considered and upon which the committee might report.

On motion of Hon. Mr. McDonald, debate adjourned.

VISIT TO CANADA BY U.S.S.R. PARLIAMENTARIANS

INVITATION EXTENDED BY SENATE—QUESTION

Hon. Sidney L. Buckwold: Honourable senators, I was interested to read in a local newspaper last evening a Tass news agency dispatch from Moscow indicating that a delegation from the Supreme Soviet Legislative Assembly, headed by the Soviet Deputy Premier, Nikolai Tikhonov, will visit Canada later this month at the invitation of the Canadian Senate. I should like to know when we might expect this group, and be informed of any other information regarding the visit.

The Hon. the Speaker: Honourable senators, perhaps I might be permitted to reply to the question. It will be recalled that in May 1969 an official invitation was extended to the Canadian Senate to send a delegation to visit the U.S.S.R. The invitation was accepted, and four delegates from the Senate visited the U.S.S.R. in January 1970. At the final official function in Moscow, the Canadian delegation, in accordance with normal practice, extended an invitation to parliamentarians from the U.S.S.R. to visit Canada.

The Russian delegation was expected to arrive in Canada early last fall. A program for the visit was almost completed, when it was learned that the visit had to be delayed because of the visit of Mr. Kosygin. We have since been advised that the Russian delegation will arrive in Canada Monday next, March 13. Many honourable senators are already aware of the impending visit, but the program was finalized only this morning.

It was my intention to inform honourable senators of the visit and provide details at tomorrow's sitting of the Senate. The Russian delegation will be in Canada for a period of ten days, during which time they will visit Ottawa, Toronto, Montreal, and western Canada.

Hon. Mr. Choquette: May I ask who authorized the Senate to extend that invitation?

The Hon. the Speaker: I received no authority personally to extend the invitation. However, while acting as leader of the Canadian delegation to Moscow in 1970, I was authorized to extend the invitation through normal External Affairs channels. If the honourable senator wishes specific details on who authorized the invitation, I shall look into the matter and inform him. I can state that the invitation was authorized through normal channels.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. Lorne Bonnell: Honourable senators, in rising to support the motion for an Address in Reply to the gracious Speech delivered in this chamber by His Excellency the Governor General, I want first to congratulate my colleague, Senator Buckwold, who did such an excellent job in moving the motion, and Senator Lapointe who so capably seconded the motion.

I should like also to welcome to the chamber the new members of the Senate, namely, Senators Fournier (Restigouche-Gloucester), Williams and Rowe.

• (1440)

The Speech from the Throne is different from previous speeches in that the main interest seems to be the people of Canada. It is a speech that thinks about us as individuals, and shows compassion for people. It is not a speech full of promises of great works or big capital projects. It is a speech which gets down to the fundamentals of this country, its citizens and how they live. It is a speech that shows concern that the rural inhabitants of Canada and the inhabitants of the outports are treated the same as those in our big cities. It is great to think at this time that we have a government in Canada that is thinking about people; a government with compassion.

Hon. Mr. Choquette: When did that start?

Hon. Mr. Bonnell: That, senator, started when Mr. Trudeau took office.

The Speech from the Throne shows an interest in Canadians, not only at the present time but in the past as well as the future. It is a speech that involves more Canadians in community activities, and a speech that improves the image of Canada and its people.

The Speech from the Throne indicates that the government is concerned with unemployment, and intends to double its efforts to provide sufficient jobs for our citizens, thereby lowering the unemployment rate. The Speech indicates the government will continue to exert an influence to prevent the erosion of our incomes and to stabilize the prices of our goods and services. It shows that the government has an immense interest in Canada's basic resources, agriculture and fisheries, the traditional strengths of our economy.

For these reasons it gives me great pleasure to support the motion made by my colleague, Senator Buckwold, and seconded by Senator Lapointe.

I was somewhat disappointed in the fact that His Excellency neglected to mention that the Province of Prince Edward Island will be celebrating its centennial in 1973, although he did make reference to centennial activities in which he partook in Manitoba, British Columbia, and the Northwest Territories. I should like to say at this time that we would certainly welcome His Excellency to Prince Edward Island in 1973 to celebrate with us our joining this great nation.

As Senator Forsey was speaking last night I could not help but think that the Province of Prince Edward Island is the basis of this country, because the Fathers of Confederation sat down in Charlottetown in 1864 and commenced to build this land. Great countries such as the

United States, China, and others have also built themselves into great nations, but they did it by fighting and killing, whereas the Fathers of Confederation sat down in the upper chamber of that house in Charlottetown and drew up the British North America Act. There were no battles and no deaths. We built this great land of ours on words, and we have progressed to today when we sit in this chamber as distinguished senators.

In 1867, three years after the Charlottetown meeting, four of the provinces—Nova Scotia, New Brunswick, Quebec and Ontario—formed Canada. However, Prince Edward Islanders, being a little conservative in their thinking—and they are changing that, by the way—waited until 1873 to join the other provinces, hence our centennial next year.

We hope to have in Prince Edward Island, to help us celebrate our centennial, members of the Royal family as well as His Excellency, and at this time I should like to extend an invitation to the Senate to hold a sitting in that chamber where the Fathers of Confederation sat. I can think of nothing greater than to have the Leader of the Government and the Leader of the Opposition sitting across from one another in that chamber where Sir John A. Macdonald, the cabinet maker, sat, and to pass a piece of legislation to commemorate the coming together of all our peoples into this one great nation.

To assist honourable senators in thinking about this I feel there should be a resolution that the Senate discuss this possibility. I offer as tokens to my honourable friends, the Leader of the Government, the Leader of the Opposition, and His Honour the Speaker, these small flags of Prince Edward Island which can be placed on their desks in recognition of Prince Edward Island's centennial next year.

Another important aspect of the Speech from the Throne is the government's demonstration that it is thinking about our past as well as our future in its intention to set up Heritage Canada. It is important, in my opinion, to preserve items of historical significance, as well as many of the architectural designs and structures throughout this country, for the benefit of future generations. Even items such as the desks and chairs in this chamber should be preserved. In this regard one of the most important buildings in Canada to be preserved is Province House in Prince Edward Island where Confederation was born. The chamber where the Fathers of Confederation met is still as it was 100 years ago—the original desks, chairs, and tables are all there as well as the signatures of the Fathers of Confederation. I should think that that would be one of the first things that Heritage Canada would want to establish and preserve for many generations to come at the expense of the Government of Canada.

• (1450)

Not too many nations in the world have ever had or will have a chamber such as we have here, built by a nation that was born and brought together by negotiation rather than by demonstration or wars.

Honourable senators, as we travel through the great Province of Prince Edward Island we see many of the homes of the Fathers of Confederation, still standing but neglected. They are deteriorating, and they should be preserved. The National Historic Sites Service seems to be more interested in monuments to a battle or a general or someone connected with death and destruction. I maintain that the greatest monuments are those homes of the Fathers of Confederation, where there was no battle and no killing, but just peaceful settlement by negotiation. They should serve to show to the rest of the world how this great nation of Canada was born.

I was interested in the reference in the Speech from the Throne to the intentions of the federal government as to the tourist industry. That industry is like a babe in the manger—it is still in swaddling clothes waiting for someone to encourage it to grow, waiting for the government to develop it. Even so, tourism today is probably our second largest producer of foreign exchange.

Over $4 billion dollars was spent in Canada last year by the travelling public. Of that amount, $1.2 billion came from the United States. On the other hand, Canada spent $936 million on travelling in the United States. There were some 37 million crossings of the border last year by Americans coming to Canada. On the other hand, there were 35 million crossings by Canadians going to the United States. If we can get Canadians to travel in Canada, we can save $936 million now being spent outside Canada.

We should promote in-Canada and across-Canada travel, whereby Canadians would meet Canadians and the east would meet the west. The Americans, with a population of about 200 million, spent $1.2 billion in Canada, while Canadians, with a population of only 20 million, spent $936 million in the United States. Thus it can be seen that we are the greater spenders, that we have more money to spend on travel and vacation than any other country in the world.

Why should we not try to keep that money in Canada? We all know that we have two crown corporations, Air Canada and the Canadian Broadcasting Corporation, available to aid tourism. We also have the Canadian Government Travel Bureau. These entities should be promoting in-Canada travel with package tours and lower rates. The CBC should be showing the beauty of Canada to the Canadian people.

Honourable senators, it is cheaper for me to fly to Europe than it is to visit my friends in Alberta or British Columbia. It is probably cheaper for my friends in Alberta or British Columbia to go to Hawaii than to come to see me in Prince Edward Island. There must be something we can do to make travel in Canada cheaper, so that we can spend our Canadian dollars right here in Canada. The federal government says it intends to promote tourism and in-Canada travel. I am pleased to note this. It will encourage the promotion of this industry, which will be of valuable economic benefit.

In this day and age, people are working short hours. Their working time diminishes every time we have a strike. They are receiving higher pay, which gets higher every time we have a strike. They have now more leisure time and longer holidays. They are seeking something to do, so more and more are taking longer and more expensive vacations. They are spending more money than ever in our country's history. It is gratifying to note that the Canadian government is cognizant of these facts, and is

about to take steps to promote more tourist travel within this country.

Honourable senators, I should like to spend a few moments on transportation and communications. Although this particular subject may not have been mentioned in the Speech, it does indeed refer to "isolation." This has been referred to by Senator Buckwold, and by other speakers on many occasions. We suffer this problem in Prince Edward Island near where I live, especially in the wintertime when the ice flows. When that happens we are isolated, because the boats cannot get through the ice. Probably every member of this chamber but myself can be in telephonic communication with his home quite easily. Our telephone system is among the worst in the world. There are as many as ten people on a party line, and they have to use long and short signals in order to reach a certain person. We do not have the seven digit dialing system except in the cities and bigger towns. Even so, we pay higher rates for our telephone service than are paid in any other part of Canada. We pay more for long distance calls than does any other part of Canada, yet we have the poorest telephone system.

There is one television station in the province, owned and operated by the CBC. We have no mobile equipment, and we have no way of getting on international programs, except when the actors come in the summertime and dig up some old horse and buggy. I am sure the horse has been dead for a long time, and the buggy is a real antique but it is taken out each time they wish to show Prince Edward Island on national programs.

Honourable senators, what is needed to prevent this continued isolation is something we have heard about so often—the causeway. Different Prime Ministers have promised the causeway, but each time the project has been postponed by some tight money policy or high rates of interest. I believe that we are now in for better times.

• (1500)

I have to be fair and say that the present government gave us two new car ferries last year, and is about to give us another new car ferry at the other end of the island. These certainly tighten our connection with the rest of Canada.

In this expanding economy, and this age of expanding travel and transportation, I believe the day has come when, if we do not get a causeway to Prince Edward Island, we shall have so many boats that if we put them end to end we would have a causeway. The tourist industry of Prince Edward Island is growing rapidly, and the only method of transporting the visitors is by boat for which we need wharves and ancillary installations.

Therefore, realizing that we have these problems of telephonic communication, transportation, and the like, I suggest that the Standing Senate Committee on Transport and Communications should visit Prince Edward Island during the winter months and again at the peak of the tourist season, in order to see the handicap that we are under in that province.

A committee of the House of Commons was set up at one time to view the transportation problems of Prince Edward Island, but they became storm-bound and never did get across to the island. Before the snow was gone and the roads were open they were recalled because of a vote, and so our transportation problems were never viewed by members of the other place. I think that a report from the Transport and Communications Committee, after a visit to Prince Edward Island, would stir up great interest in this country, as have the reports on Poverty in Canada and all those other matters with which this body has dealt.

I read in the paper the other day of some gentleman in British Columbia who is going to the courts to restrain the Government of Canada from giving money to the poorer provinces in equalization payments. I am not the parliamentarian Senator Forsey is, nor do I know parliamentary procedure as he does, but when the day comes in this country that the Government of Canada cannot tax the people and distribute those taxes as it feels it should, then we shall have lost our democracy and what we sat down to put together in Charlottetown.

I can well see that if that money were taken from the Government of British Columbia and given to another provincial government, then British Columbia might have something to complain about. But the taxes, as I understand it, come from the people of Canada and go back, as the Government of Canada sees fit, to the people in the have-not provinces. This is a means of assisting them to pull themselves up by the bootstraps, so to speak, so that in the future they may be able to give a little themselves in order to assist other provinces which at the present time find themselves in the fortunate position of having industries such as oil to keep them economically sound but which may need help then.

I am a little disappointed to think that the premier of that great province is a maritimer himself, and one who knows the situation of the Maritime provinces. Moreover, the Lieutenant Governor of that province comes from New Brunswick. It is sad to think that when they get that far away they forget their people back home, and say that it is a bad thing to give equalization grants to the have-not provinces.

The Province of Prince Edward Island is in a position today where, without equalization grants and the help of the federal government, it could not carry on the business of government. We could not give any of the necessary services to our people. The federal government has recognized that and has given us equalization payments. It has recognized it further by creating the Department of Regional Economic Expansion. Through the DREE program Prince Edward Island, jointly with the Government of Canada, is spending $725 million over the next 15 years. That is a program to help Prince Edward Island establish sound economic industries such as agriculture, fisheries, tourism, and so on. This has been done to assist the Government of Prince Edward Island to give the people of that province the things they deserve as Canadians. After all, we cannot be a strong and unified country if we have people in one part who cannot eke out a living and have to do without many of the necessities of life, while people in other parts are living in riches and have all the things they need and even some to spare.

I appreciate the fact that the Government of Canada has recognized this type of need not only in regions of Canada but in regions all over the world. Our government gives assistance and aid to other countries which need it. I

am sure the attorney general of British Columbia would not want us to cut off all aid to foreign countries in need. If he would not want Canada to do that, why would he want Canada to cut off its aid to his fellow Canadians in need. I contend that he must have been having a dream when he thought that by going to the courts he could remove the right of the Canadian government to tax its citizens, and distribute those taxes as it sees fit. That is a right all Canadians enjoy, and if it is ever removed we will not have a very good country in which to live.

To demonstrate the benefits that exist under this present program so far as Prince Edward Island is concerned, I will say that two years ago we started a program to assist those with low incomes to build themselves homes. In Prince Edward Island, with only 110,000 people, there are 650 people who have received grants to build homes of their own in the last two years. Many who were in the very low income bracket could not afford to build new homes, but they applied for and obtained grants of $1,000 to build such additions to their old homes as washrooms, furnace rooms, and basements, and other amenities which they never enjoyed before. In this way at least they now have better accommodations than they had before.

• (1510)

The total annual revenue of the Province of Prince Edward Island before the development plan was in operation was about $40 million, but in 1971, four years later, the revenue had increased by 139 per cent. This shows that DREE is doing good in the province, and those people who criticize DREE and say it is not working should come and look at the highways, the housing, the tourist developments, the fisheries, and other undertakings in Prince Edward Island which have expanded and become economically sound since the development plan was signed in 1967.

As far as agriculture is concerned we have problems, but then as far as agriculture is concerned Canada has problems. In fact, as far as agriculture is concerned, there are problems in every country. They are not unique to Prince Edward Island. This year, with the existence of DREE, the Government of Prince Edward Island, instead of the usual Speech from the Throne at the opening of the session of the legislature, delivered what could be called a white paper on agriculture. The whole Speech from the Throne was concerned with the promotion of new ideas for the improvement of agriculture, to make it a sound industry in the province. I am pleased to see that the federal government in the Speech from the Throne also states that it is going to promote agricultural and fishing industries.

In Prince Edward Island we had other problems this year. For example, we had some problems with the Unemployment Insurance Commission. It seemed that many people were making application and a backlog developed. There were delays in getting money to those who needed it. I have investigated this matter, and I understand from the Minister of Labour that he is now on top of the situation. He has assured me that unemployment insurance offices will be established in each of the Manpower offices in the various areas of the province. Therefore, people going directly to the Manpower offices will be able to see the unemployment insurance officers, and this will help to overcome difficulties about claims. I thank Mr. Mackasey for doing this, and I congratulate him on correcting the situation so quickly.

I am pleased to be able to say that in the Maritime provinces, because of the new amendments to the Unemployment Insurance Act, over 3,100 fishermen who ordinarily would not have received five cents from the Unemployment Insurance Fund this winter were able to draw on it because they needed only eight stamps to do so. This was a great boost to the fishermen, and it saved the welfare department of Prince Edward Island a great deal of money.

Honourable senators, I was told that if I wanted anybody to listen to what I had to say I should not speak for too long, and Senator McGrand told me at noon today that I would not be listened to anyway. Therefore, rather than say too much at this time I shall let another senator continue the debate. However, I should like to make it quite clear that I am very pleased with the Speech from the Throne because it shows that Canada cares about us as individuals, and it shows the direction in which this country is going in years to come.

Hon. Mr. Choquette: Is it an election speech?

On motion of Hon. Mr. Argue, debate adjourned.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

MOTION FOR APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, February 29, the debate on the motion of Hon. Mr. Martin, seconded by Hon. Mr. McDonald, that the following senators be appointed to act on behalf of the Senate on the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, namely, the honourable Senators Fergusson, Forsey, Goldenberg, Grosart, Haig, Lafond, Molson and Rowe; and that a message be sent to the House of Commons to acquaint that house accordingly.

Hon. H. Carl Goldenberg: Honourable senators, in rising to speak on the motion before the house I am aware, of course, that the subject of parliamentary review of statutory instruments has been debated in the Senate and in its Standing Committee on Legal and Constitutional Affairs at different times over the past three years. Since the last debate, the Statutory Instruments Act was proclaimed into force on January 1, 1972, and both houses are now in the process of setting up the committee provided for in section 26 of that act to review and scrutinize statutory instruments. In the circumstances, some further remarks may not be inappropriate even if they involve repetition to some degree of what has already been said.

What we are seeking to achieve in this matter is a combination of effective administration and effective parliamentary control of the executive to protect the rights of the individual. In this we in Canada are not alone; it is a problem which is faced by other nations with parliamentary institutions. In the complicated world in which we live, with the functions and responsibilities of government enormously expanded, it is not possible for Parliament to

deal with all the details involved in the implementation of legislation. Accordingly, while Parliament remains the source of statute law, it delegates certain law-making powers to authorities responsible for administering the law: the Governor in Council, ministers of the Crown, boards, commissions, Crown corporations and other bodies and persons who are agents of the Crown. This delegated or subordinate legislation in the form of regulations, orders and other statutory instruments confers legally enforceable rights and imposes legally enforceable obligations on citizens. Parliament therefore has a continuing responsibility to ensure that the power it has delegated is exercised properly in the public interest.

It is a power, as we know, that arouses criticism as the volume of delegated legislation is enlarged. And yet it is a necessary consequence of modern government. Lord Chief Justice Hewart, who has been quoted in these debates, in his famous criticism written some forty years ago, called it "The New Despotism" but even he said:

• (1520)

> It is tolerably obvious that the system of delegation by Parliament of powers of legislation is within certain limits necessary, at least as regards matters of detail, because it is impossible, if only for want of time, for Parliament to deal adequately and in detail with all the matters calling, or supposed to call, for legislation. Indeed, without a drastic alteration of its methods of procedure, it would be impossible for Parliament to deal adequately with even a comparatively small part of the present-day volume of departmental legislation.

These were the words of one of the most severe critics of the exercise of the power of delegation of law-making authority. As a realist, Lord Hewart accepted the fact that such delegation is necessary. It therefore serves no purpose to criticize the multiplicity of regulations as such. They are numbered in the thousands now, and hundreds will continue to be added from year to year as the activities of government expand. I admit that many will continue to confuse the laymen as well as the lawyer, even if such confusion in the case of the lawyer may be profitable. It remains for Parliament to supervise and control the exercise of the law-making authority because the rules and regulations made under such authority complete the laws enacted by Parliament.

Following the thorough and excellent third report of the Special Committee on Statutory Instruments of the other place, Parliament enacted the Statutory Instruments Act which came into force on the first day of January of this year. It marks, I hope, the beginning of a new era in the exercise of parliamentary supervision of subordinate legislation.

[*Translation*]

Honourable senators, I will now read to you the remarks made in the other place by the Minister of Justice during the debate on this bill. He said:

> I believe this bill will provide better controls in the hands of Parliament over delegated legislation, regulations and statutory instruments made by government, ministers and boards. I believe, also, that it will provide a more open government because from now on, subject to narrowly defined exemptions, all regulations will be published in the *Canada Gazette* and this will be enforced by means of a mandatory registration system whereby a regulation will not come into force until it is so registered and published.
>
> Second, rules, orders or regulations governing the practice or procedure of federal judicial or quasi-judicial boards and commissions will be subject to the requirements of the new legislation. Third, members of the public will now be given a statutory right to inspect and obtain copies of statutory instruments and regulations, a right which they do not now possess. At the present time the public has no right to see or obtain a copy of any regulation or other statutory instrument having the force of legislation which has been delegated by this Parliament to ministers, to boards or other administrative bodies.
>
> Fourth, a scrutiny committee of Parliament—this is the point upon which the amendment is based—will be given the right to examine all statutory instruments which are made or regulations which are passed. Fifth, the powers given to the Governor in Council to exempt regulations and other statutory instruments from the application of this provision of the bill are very narrowly defined. At the present time there is no restriction placed upon the cabinet or Governor in Council in the exercise of its power to exempt regulations from the obligations imposed by the Regulations Act. Now, the exemptions are narrowly drawn and they have to fit within one of the categories of clause 27 of the bill.
>
> Finally, hon. members will henceforth receive a copy of every regulation which is published in the *Canada Gazette*.

This is a quotation from page 4065 of *Hansard* of March 8, 1971.

[*English*]

Honourable senators, I would like to deal more particularly with two sections of the Statutory Instruments Act. Section 3 requires a regulation-making authority which proposes to make a regulation to forward copies to the Clerk of the Privy Council who must then examine the proposed regulation in consultation with the Deputy Minister of Justice to ensure that:

> (a) it is authorized by the statute pursuant to which it is to be made;
>
> (b) it does not constitute an unusual or unexpected use of the authority pursuant to which it is to be made;
>
> (c) it does not trespass unduly on existing rights and freedoms and is not, in any case, inconsistent with the purposes and provisions of the Canadian Bill of Rights; and
>
> (d) the form and draftsmanship of the proposed regulation are in accordance with established standards.

These are some of the principal criteria recommended by the special committee of the other place for scrutiny of delegated legislation. Incidentally, similar principles for assessing such legislation are embodied in the laws of other Commonwealth countries.

Having set out these criteria, and having provided for registration and publication of regulations, with certain exceptions, and for the right of access to regulations by

any person, save where precluded by considerations of security and the rights of individuals, the act provides for scrutiny of statutory instruments by Parliament. Section 26 reads:

> Every statutory instrument issued, made or established after the coming into force of this act, other than an instrument the inspection of which and the obtaining of copies of which are precluded by any regulations made pursuant to paragraph (d) of section 27, shall stand permanently referred to any committee of the House of Commons, of the Senate or of both Houses of Parliament that may be established for the purpose of reviewing and scrutinizing statutory instruments.

This is, of course, the committee to which the motion before the Senate today relates. In setting up such a committee, we have lagged behind other countries of the Commonwealth. In the United Kingdom, the House of Lords established a Special Orders Committee in 1925 to examine regulations requiring an affirmative resolution before coming into effect and to report to the house thereon.

• (1530)

In 1931 the Senate of Australia established a Standing Committee on Regulations and Ordinances to ensure, *inter alia*, that they are in accord with the statute and that they do not trespass unduly on personal rights and liberties. In 1944 the British House of Commons established a Select Committee on Statutory Rules and Orders. In 1953 the House of the People in India established a Committee on Subordinate Legislation to scrutinize and report to the house "whether the powers to make regulations, et cetera, conferred by the Constitution or delegated by Parliament are being properly exercised within such delegation." In New Zealand, Standing Order 360 of the House of Representatives provides for a Statutes Revision Committee to consider regulations.

There are also precedents in Canada. In 1960 the Manitoba Legislature established a Standing Committee on Statutory Orders and Regulations to examine regulations referred to it under the act. The Province of Saskatchewan followed in 1963 with the establishment of a Special Committee on Regulations. In 1969 Ontario provided for the appointment of a Special Committee on Regulations at the commencement of each Legislature.

At page 73 of its third report the Special Committee of the other house reports on these scrutiny committees that:

> All the scrutiny committees have the following features in common: they are relatively small committees; they rely heavily upon preliminary examinations and reports of their legal counsel; they are more concerned with the form, language, and operation of regulations than their substance; they are objective and non-partisan; and they report the results of their examinations to the Legislature. The action which may be taken by the Legislature with respect to a regulation depends upon the terms of the applicable statutes and Standing Orders.

On October 14, 1971, Standing Order 65(3) of the other house was amended to provide for a Joint Committee on Regulations and Statutory Instruments with 12 members from that house. The Senate amended its Rule 67(1) on October 12, 1971, by adding a new subparagraph (d) providing for the appointment of eight senators to the committee.

Section 26 of the Statutory Instruments Act defines the powers of the committee as those of "reviewing and scrutinizing statutory instruments." Senator Grosart the other day was critical of the fact that the act does not tell the committee what to do after its review and does not specifically require it to report. But surely a standing committee has powers to sit in open session, to call for persons, papers and records, and to report back to Parliament. Moreover, the act says that statutory instruments shall stand permanently—and I stress the word "permanently"—referred to the committee. It follows that if no action is taken on a report of the committee, the committee may scrutinize the same regulations more than once and, if it feels strongly about the matter, it can report on it again and again. In the words of the then Minister of Justice, as reported in the House of Commons *Debates*, March 8, 1971, at page 4068:

> The burden of my argument is that the power of the committee really is to draw to the attention of the government, Parliament and the public the fact that regulations may contravene the criteria which have been advanced by the committee on statutory instruments and may go beyond the powers that are given in the statute, and that the enabling power in the statute itself may be drawn too widely, although that should be a consideration for Parliament in the consideration of the bill itself.

I may point out that the powers of the British House of Commons committee have also been said to be unduly limited, and yet Dr. J. A. Corry, former Principal of Queen's University and an eminent Canadian authority on administrative law, says this about the British committee:

> Although sharply restricted in its terms of reference, the [Select Committee on Statutory Instruments] has had a considerable measure of success in inspiring legislation which tidied up the process of delegation reducing sharply objectionable uses of the device, arousing an informed public opinion, and even in curbing the verbosity of the framers of delegated legislation. The government departments are more careful in their later framing of new delegated legislation after the committee has chided them . . . The civil servants fear it, and cabinet respects it.

Dr. Corry's judgment on the British House of Commons committee will be found in his chapter entitled "The Prospects for the Rule of Law" at pages 547-548 in *Canadian Public Administration*, edited by Hodgetts and Corbett.

I submit that the joint committee which we are about to set up with the other place should be able to achieve similar results if it approaches its task in a non-partisan manner and with the assistance of a competent permanent staff. To those who fear that its findings may not receive proper consideration, I say that the rules of procedure in both houses afford opportunities to vigilant members to bring them to public attention.

On another point raised by Senator Grosart, I agree that section 26 of the act imposes a limitation on the commit-

tee's powers of review in that it excludes regulations of which, under section 27, the Governor in Council has by regulation precluded inspection "in the interest of international relations, national defence or security or federal-provincial relations" or where inspection might result in "injustice or undue hardship to any person or body affected thereby."

The requirement of secrecy in matters affecting national defence and security is understandable and generally accepted. In so far as it concerns international relations and intergovernmental relations, information can only be released with the consent of all governments concerned. If one party insists that a matter be not publicized, the others are bound to agree. This is a fact of life. Having attended so many federal-provincial conferences, I can confirm this.

In the matter of regulations the disclosure of which would result in injustice or undue hardship to persons, I do not feel that we can object to their exclusion.

In view of the long debate on publication and scrutiny of statutory instruments in both houses, I am hopeful that the tendency will be to make full disclosure except where there is a strong balance of argument against it. The effectiveness of the whole exercise will depend in large part on the prestige that the committee will acquire.

• (1540)

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Goldenberg: I share the views expressed by Mr. G. W. Baldwin in the other place. I feel sure that the Leader of the Opposition (Hon. Mr. Flynn) will allow me to quote Mr. Baldwin's comments as reported at page 8681 of the House of Commons *Hansard* of October 14, 1971:

> I suggest that a committee which is objective, hard working and properly staffed would perform a function which has long been needed in this country. I wish to confer my blessing and the blessing of our party on this committee. I feel that since the lives, the fortunes and the liberties of the people of Canada are affected to the extent of almost 90 per cent by statutory regulations rather than statutes, this committee will be one of the most important committees to function under the authority of Parliament during the course of the next few years.

On motion of Hon. Mr. Forsey, debate adjourned.

[*Translation*]

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FOURTEENTH MEETING—DEBATE CONTINUED

The Senate resumed from February 29 the adjourned debate on the inquiry of Hon. Mr. Deschatelets, calling the attention of the Senate to the Fourteenth Meeting of the Canada-United States Interparliamentary Group held at Ottawa and Montebello, 16th to 20th February, 1972.

Hon. L. P. Beaubien: Honourable senators, in rising to speak on the Fourteenth Meeting of the Canada-United States Interparliamentary Group held at Ottawa and Montebello from February 16 to 20, 1972, I would like at the beginning to say a word to His Honour the Speaker of the Senate.

Your Honour, Senator Macnaughton who has much experience in that field has congratulated you and the Speaker of the House of Commons for the dignified manner in which you played host to the large American delegation. I entirely agree with Senator Macnaughton but I want to add the following. Mrs. Deschatelets and Mrs. Lamoureux represented Canada with much charm and dignity and I wish to offer them my sincere compliments.

Honourable senators, Mr. Ian Imrie, who is chief of the Inter-Parliamentary Relations Branch, and Miss Jean Macpherson, of the same office, carried out their duties with the perfection we have come to expect of them.

I would also like to congratulate Mr. Paul Jolicoeur, director of Château Montebello, who made us so welcome.

[*English*]

His Honour the Speaker, together with the Speaker of the House of Commons, wrote a full report of the meeting, which was published as an appendix to Senate *Hansard* of February 29.

Senator Macnaughton, in an excellent speech to which I have just referred, described our deliberations. I have no wish to be repetitious, and will explain only the main points which arose from the meeting.

Those who attended the interparliamentary meeting were divided into two committees, one dealing with economic affairs, and the other with defence and security. We are fortunate to be in a position to discuss our problems with the top parliamentarians from the United States; to be able to explain our problems and then listen to their side of the story. Equally important is the fact that we had an opportunity of getting to know the United States parliamentarians as people. In future, when we hear of action taken by the United States, we will think of their parliamentarians as acting much as we do. No doubt they will feel similarly toward us.

We may look back upon 1972 as the turning point where the great powers started to make a serious effort to reduce world tension. We all hope that the forthcoming visit to Russia by the President of the United States will prove as successful as his visit to China. However, in the last 12 months we must remember that bitter, fierce nationalism has caused death and untold suffering in many parts of the world—and all of it in the name of patriotism.

We in Canada look back over 150 years of peaceful and friendly co-existence with our neighbours to the south. We have a long but unguarded frontier. Before Confederation most of the trade from the Maritimes was carried out with the people of Boston. Honourable senators will recall that when the late President Kennedy addressed a joint meeting of the Canadian Senate and House of Commons in 1961, he pointed out that he had been elected by a majority of only 140,000 votes out of a total of over 60 million votes cast. He made us laugh by saying that a large proportion of the voters in Massachusetts who were not born in the United States were Canadians, and he intimated that these former Canadians might have decided the election. I do not mean to say that all these Canadians were from the Maritimes, as there are many people of French Canadian descent in that state.

I recall reading some time ago a book written by Pierre Georges Roy who was for a great many years archivist for the Province of Quebec. He was a contemporary of my father, but has been dead for some time. I have forgotten the name of his book, but in it he referred to the great depression of the 1880s when many French Canadians emigrated to the United States. I remember an amusing cartoon of the day depicting a French Canadian whose name was Jean Baptiste Trudeau. He was shown as returning to a little town in Quebec after a very successful absence of 20 years. He had changed his name to John B. Waterhole. Pierre Georges Roy stated in his book that there were 2 million French Canadians in the New England States.

• (1550)

As honourable senators are aware, the Province of Quebec borders on the States of Maine, New Hampshire, Vermont, and New York. You can cross the border, as I often do, and go for miles on the side roads without seeing an American or Canadian Customs. If you stop and speak to people, you cannot tell by the accent on which side of the border you happen to be. Ontario borders on the States of New York, Pennsylvania, Michigan and Minnesota, and across those borders billions of dollars of trade are done every year. In many cases people get up in the morning and cross the border to go to work and return to their own country that evening; this is done by Americans and Canadians alike.

I realize that there is a certain group in Toronto made up of very successful professional and business people who view American control as a danger to Canada and its culture. I will not say anything about American control of our industry today. We will discuss this fully when the government announces its long-awaited policy in this matter.

As far as culture is concerned, the only thing I can say is that if we had the opportunity of listening to these gentlemen from Toronto talking with Americans of the same class and kind, it would take a very discerning eye to detect any difference in culture.

Manitoba borders on North Dakota; Saskatchewan borders on North Dakota and Montana, and Alberta borders on Montana. When oil was discovered in the west in 1947, a great many Americans came up to Canada and settled in Saskatchewan and Alberta. There is nothing but the friendliest feeling between our two nations in this area. Indeed, if you and I could attend an agricultural fair and see our colleague from Calgary, the honourable Senator Hays, surrounded by cattlemen from both sides of the border, I should think we would find it difficult to pick out which ones were Americans. As far as I am concerned, I would sooner try to guess where the bulls came from.

I am sure that the majority of citizens of British Columbia feel just as much at home in Seattle or Tacoma as they do in Vancouver or Victoria.

Hon. Mr. McDonald: More so than they do in Toronto.

Hon. Mr. Beaubien: Honourable senators, both Canada and the United States are faced with an election in the foreseeable future, and we can expect to find some misguided people trying to promote a hate-your-neighbour campaign. We have to be on our guard in that respect; we are all the sons and daughters of North America. Our backgrounds are the same. Our ancestors may have come from England, France, Belgium, Poland, Italy, Czechoslovakia or Germany. Exactly the same type of immigration took place in the United States. They all came to North America for the same reasons—to find liberty and wider horizons and to build a better future for themselves and their children.

Honourable senators, I will close my remarks by going back to the speech that I referred to earlier by the late President Kennedy. He quoted Edmund Burke as saying:

> The only thing necessary for the triumph of evil is for good men to do nothing.

Hon. Mr. Flynn: Honourable senators, I think some senator from the Toronto region should rise on a question of privilege. I think Senator Aird should. He probably remembers René Levesque's statement to the effect that he felt more at home in the United States than he did in Ontario.

Hon. Mr. O'Leary: Honourable senators, there were two distinguished delegates at this conference from the other side of this chamber, Senator Connolly (Ottawa West) and Senator Hayden. I should be glad to follow them in this debate.

On motion of Hon. Mr. McDonald, for Hon. Mr. Hayden, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 9, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

VISIT TO CANADA BY U.S.S.R. PARLIAMENTARIANS

STATEMENT BY HIS HONOUR THE SPEAKER

The Hon. the Speaker: Honourable senators, yesterday I undertook to inform the Senate of the impending visit to Canada of a group of parliamentarians from the U.S.S.R.

In 1969 the Speaker of the Senate received an invitation for a small delegation from the Senate to visit the Soviet Union. This invitation came from the Chairman of the Council of the Union of the Supreme Soviet and the Chairman of the Council of Nationalities of the Supreme Soviet. The invitation was accepted, and in January 1970 I was accompanied to the Soviet Union by Senators Connolly (Ottawa West), Flynn and Aird. Honourable senators will recall that a full report concerning that visit was made in this chamber and is recorded in *Hansard* of February 4, 1970, beginning at page 471.

Honourable senators are aware that a similar delegation from the Senate had been invited to Czechoslovakia in 1969, and at that time I was accompanied to that country by the Honourable Paul Martin, Leader of the Government, and the Honourable Jacques Flynn, Leader of the Opposition, and the honourable Senator Aird. As is customary on such occasions, the visitors, before departure, issued an invitation for a return visit. This was done in the normal course, and the Department of External Affairs was consulted.

The return visit by the Czechoslovakian parliamentaries took place in March 1971. The visit of representatives from the Supreme Soviet of the U.S.S.R. was to have taken place in the fall of 1971, but had to be postponed. It will begin next Monday, March 13. The Soviet delegation will visit Ottawa, Montreal, Toronto, Vancouver and Calgary. While in Ottawa the delegation will meet and conduct discussions with members of the Standing Senate Committee on Foreign Affairs and members of the External Affairs and National Defence Committee of the House of Commons. It is expected that the Soviet delegation will also have the opportunity of meeting with both federal and provincial government representatives. Arrangements will be made to have certain of them with technical qualifications meet with colleagues in the business and scientific life of Canada.

Honourable senators will have received, I hope, an invitation to a dinner which will be tendered to the Russian delegates on Tuesday evening.

I am grateful to honourable senators in the different centres to be visited, for the extraordinary co-operation and help they have given to make this Senate undertaking a success. I express the hope that, as a result of this visit exchanges between the representatives of the peoples of Canada and the Soviet Union will be made more meaningful for the understanding and mutual advantage of the two countries, and for the preservation of peace and economic and social development of the world at large.

I hope that this statement will be found satisfactory.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of the Northern Canada Power Commission for the fiscal year ending March 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1972-332, dated February 24, 1972, approving same.

Revised Capital Budget of the Northern Canada Power Commission for the fiscal year ending March 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1972-192, dated February 3, 1972, approving same.

Statement of all Monies refunded under the authority of The Refunds (Natural Resources) Act for the period October 5, 1970 to February 16, 1972, pursuant to section 3 of the said Act, chapter 35, Statutes of Canada, 1932. *Nil Return.*

Statement of Apportionment and Adjustments of Seed Grain, Fodder for Animals and Other Relief Indebtedness for the period October 5, 1970 to February 16, 1972, pursuant to section 2 of An Act respecting Certain Debts due the Crown, chapter 51, Statutes of Canada, 1926-27. *Nil Return.*

BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator Burchill be substituted for that of the honourable Senator Hastings on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 14, 1972, at 2 o'clock in the afternoon.

Honourable senators, in explanation of this motion, may I repeat what His Honour the Speaker has just told us, that there will be a dinner on Tuesday evening in honour of the visit of the delegation from the Soviet Union. Honourable senators and their wives have been invited. As the

dinner is scheduled for 7.30 p.m. it is proposed that the Senate sit at 2 p.m.

Hon. Mr. Beaubien: Honourable senators, as we probably will not be having a long sitting, would it not be possible to meet at 3 o'clock instead of 2 o'clock? It is difficult for some senators to be here by 2 o'clock.

• (1410)

Hon. Mr. McDonald: The only comment I could make is that under our Rules the Senate meets for the transaction of business at 2 o'clock in the afternoon.

Hon. Mr. Beaubien: But a change can be made with leave.

Hon. Mr. McDonald: I know that is possible, but I cannot agree to that simply on my own.

The Hon. the Speaker: If there is to be a change, perhaps Senator McDonald would amend his motion.

Hon. Mr. Martin: Honourable senators, perhaps I could say a word. My own view is that it is not in keeping with the traditions of Parliament to change lightly the hour of our meeting. In the circumstances, perhaps we could regard this occasion as being an exception, but this is a course I do not think we should encourage. We must keep in mind that Parliament is not just an ordinary meeting institution. It is the Parliament of Canada and this is one of the houses of that Parliament. I suggest that we accede to this request at this time, but as I have said I do not think we should encourage it as a practice.

Hon. Mr. McDonald: Agreed.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator McDonald, seconded by the honourable Senator Bourget, that when the Senate adjourns today, it do stand adjourned until Tuesday, March 14, 1972, at 3 o'clock in the afternoon. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Buckwold, seconded by Hon. Miss Lapointe, for an address in reply thereto.

Hon. Hazen Argue: Honourable senators, my first words this afternoon must be ones of sincere congratulation to the mover of the Address in Reply to the Speech from the Throne, Senator Buckwold, on his excellent speech. By his statement he showed that he has a firm grasp of the fundamental questions affecting the people of this country and, while he has been a senator for only a short time, he has already demonstrated by his activity in this chamber and in the Senate committees that he is learning the ropes quickly and is already making excellent contributions. This suggests to us all that he will have a more important role to perform in the interests of Canada in this house in the years ahead.

[Hon. Mr. McDonald.]

Hon. Mr. Martin: But that is to be expected of somebody from Saskatchewan.

Hon. Mr. Argue: I was unable to hear Senator Lapointe's speech but I read it carefully. I say to her most sincerely that as a Canadian and a senator I was thrilled to read her speech and to learn from it that she has an understanding of questions affecting all parts of this nation. She has had a wide experience in her lifetime, young as she is, and I know that she will make an invaluable contribution to the Senate in the years ahead. I know that her outstanding contribution will be an indication to the Prime Minister and all future prime ministers that more ladies should adorn this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Argue: I congratulate her most sincerely.

I am delighted to be back in this chamber with my colleagues, particularly the old politicians from past days in the House of Commons. I suppose it may stem from my background, but when I listen to Senator Flynn I almost begin to agree with him at times when he becomes critical of what our government is doing.

Then I glance over at my friend, the Leader of the Government, Senator Martin. As I indicated to him upon entering the chamber this afternoon, he looks so vigorous and young. And the suit he is wearing would suggest to all of us that spring is just around the corner. Senator Martin performs a tremendous service on behalf of the Senate and, because he is the government leader here, this helps to improve the stature of the Senate, which is already high in the eyes of Canadians.

We politicians are inclined to view our own party as being almost always right. Sometimes we feel that other parties are making many mistakes. However, it is my opinion that when the history of this time is written it will show that Pierre Elliott Trudeau, as Prime Minister performed a tremendous service in preserving and improving national unity in this country. And unless we have national unity we have no country.

Those of us who come from the far reaches of this nation very often find it easy to be critical of that which is being done by the government in the interests of national unity. When we are dealing with the question of bilingualism great emotion can be raised, and on occasion we even suspect a tinge of racism. This bothers me as I am sure it bothers all honourable senators.

We are not all alike in this country. We are different and the regions of our country are different. If we are unable to appreciate the points of view, the motives, and aspirations of people in other parts of Canada then we cannot have a country. I feel that senators from the Prairies, as well as senators from all regions, should use every opportunity to point up some of the matters which are required to be done so that we are a united country. I am pleased with the recognition given by the government to the French language and the citizens of this nation whose native tongue is French. They are now better able to transact business in their own language.

I feel that Canadians from one end of this country to the other should be made aware of the fact that, no matter what mistakes have been made by the government, we do not face the situation which exists in Ireland and some

other nations of the world which are divided on religious or racial grounds. We have been able to work out some of these problems, and I hope we will continue to do so in the best interests of our nation.

• (1420)

I have been a Liberal for a few years. I am a 10-year Liberal, and feel that I should be considered a Liberal without too many questions being attached to my position in the party. I can say quite frankly, however, that sometimes I have been a discouraged Liberal.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Argue: During those years I found at times a wall as far as the interests of the people on the Prairies are concerned—some legitimate interests, in certain specific ways—and I became discouraged. I have been discouraged from time to time because they said: "Well, everyone on the Prairies should be happy. They have lots of money and are all off to Florida and California in the winter." That sentiment has been around for a long time.

I have been an advocate of the two-price system for wheat for a long time, as have other members of this house. I think the fact that this has been adopted as a policy of the Government of Canada indicates that the Prime Minister and his colleagues are aware of some of the legitimate aspirations of people on the Prairies. In my opinion, this is something that we deserve and of which we can be proud. Those who have worked for it can take some credit for the government's moving in that direction.

I think of the speech delivered in this chamber in December by Senator Sparrow. Obviously he had done much research before he made that speech. It was a first class economic argument in favour of the two-price system for wheat. I remember a few years ago when Senator Prowse and I put a motion before a Liberal convention in Winnipeg asking for the two-price system for wheat. It carried, and on the flight back to Ottawa a distinguished member of the cabinet at that time said: "Argue, you did it again. You have put that albatross around our necks once more." Well, now the albatross is removed.

It has been a good system. I have not seen criticism of it. The two-price system is available for wheat produced on the Prairies and is also being made available to the wheat producers in eastern Canada on an equal basis.

I congratulate the Honourable Otto Lang, the minister in charge of the Wheat Board, not only for the work he has done within the cabinet and outside to obtain this new and important policy, but also for having the foresight and courage to announce that on the Prairies payments under the two-price system will be by way of acreage payments.

Hon. Mr. McDonald: Hear, hear.

Hon. Mr. Argue: It would have been easy just to throw it into the pot and pay it out through the ordinary wheat pool accounts. This was advocated by the Saskatchewan Wheat Pool and the Palliser Grain Growers' Association. Some of us, however, did not advocate it. We said that it should be paid either on an acreage basis, with a limited acreage, or on a limited quantity of wheat, and not thrown into the general pot and paid out on a straight bushel basis. Had it been paid to all the producers based on a bushel of wheat marketed, obviously the huge wheat producers, a handful, would have received a large part of the money. That money is paid by the taxpayers of Canada, and Mr. Lang and the government have now decided it will be paid on an acreage basis, based on 640 acres, with a limit of approximately $500.

This will give farmers an opportunity of enjoying a reasonable share of the benefits accruing from the two-price system. It is a social policy as well as an economic policy. Taxpayers' money from the national treasury is used by the government to achieve a social purpose, namely, to improve, in a small but important way, the living standards of farmers in the Prairie provinces.

The government displayed its interest in agriculture when it decided to pay a deficiency payment for hogs. The deficiency payment legislation has been on the statute books for a long time, having been placed there by a Conservative government. The Conservative Party and the last Conservative government are in excellent standing with Canadian farmers, especially those in western Canada.

Had no effort been made to change the act, hog producers would have been paid somewhat less than $1 per hog. The government decided that this figure was not enough, that hog prices were disastrously low, that hog producers had suffered a substantial loss, and that payment could be made by way of a supplementary estimate. The payment was raised to $5 per hog based on certain grades up to a maximum of 200 hogs per farmer or $1,000 per producer. Once again, this decision took courage, this time on the part of the Minister of Agriculture who resisted the proposition put forward by certain hog producers. I believe there are two organizations, one representing swine producers and the other hog producers—Senator McDonald will correct me if I am not completely accurate—both of which opposed or criticized this method of payment.

The government may wish to do something for the agricultural industry but it is difficult when, having sought the opinions of farm organizations who represent the producers, it feels it is unable to follow those opinions.

It is obvious that the people who are likely to take the keenest interest in a hog producers' organization will be the large producers. They can attend meetings, they have the money to travel, to pay for meals and hotel rooms, and it is they who become officers of the organization. The bulk of the hogs are not produced by the leaders of those farm organizations. Most are produced by the tens of thousands of small farmers, each of whom produces a small number, and it is they who produce the bulk of the hogs that go to market. The government was exceedingly wise in setting a limit of 200 hogs in connection with this deficiency payment.

Hon. Mr. McDonald: Hear, hear.

Hon. Mr. Argue: Again it was a move which had a social purpose, namely, to improve the living standard of ordinary agricultural producers.

There was criticism from the west that hog prices were too low, and criticism from the east to the effect that the producers were in a disastrous position because feed

prices were too high. I congratulate the government for taking this step towards helping hog producers in all parts of Canada. It is another indication that the Prime Minister and his government are introducing policies of great value to ordinary Canadians.

Honourable senators, I turn now to the subject of grain. As I entered the chamber this afternoon I was asked, "What are you going to speak about—wheat?" I replied that I always speak about wheat. I should like to speak on some of the problems facing the grain exporting industry, and particularly the problems facing the industry with regard to the movement of grain through the west coast ports.

• (1430)

I made a statement in this chamber some weeks ago that the Honourable Otto Lang and all those connected with the grain industry of this country are being exceedingly successful in this crop year because we are going to export upwards of 800 million bushels of grain. This is 50 to 100 million bushels more than last year's all time record, which was in excess of 700 million bushels. Sales are coming in; the outlook has changed. Things are so good as far as volume of sales today is concerned that from time to time spokesmen for the government say that we may have to refuse sales because we do not have the physical capacity to meet further export commitments.

These are problems resulting from the highly successful sales efforts. Transportation problems do not exist when sales are down and there is only a small quantity of grain moving through our ports. I am not aware of any great problems affecting the movement of grain through the east coast ports, but there are difficult problems affecting the flow of grain to the west coast ports, particularly the port of Vancouver.

Screaming headlines appear in the newspapers from time to time, particularly on the Prairies, such as: Sales are being lost; Glut of ships in Vancouver harbour waiting to be loaded; There is no grain; and so forth. Such headlines upset people, and quite properly so, but why do we have this problem at this time? I think I can give some statistics that will show why.

They are endeavouring to unload 800 box cars of grain daily, which means the handling of 1.5 million bushels of grain a day. The storage facilities at Vancouver accommodate approximately 25 million bushels, so the quantity of grain that can be held in storage, on the basis of the amount of grain that is being shipped out of that harbour, is just a two-week supply, or perhaps a little better. If we are going to use Vancouver's exporting facilities to their maximum degree, work must proceed without interference; everything must go like clockwork.

If any part of the assembly line breaks down, whether it be as a result of snowslides in the Rockies, strikes in the United States resulting in ships coming into Vancouver to pick up grain, or any other cause, there is a reduction of exports. I heard of a strike recently which was brought about by the dismissal of a yard engineer because the company felt his eyesight was failing. His dismissal brought other yard engineers out on strike, shutting down the whole movement of grain through those facilities. Obviously we are sympathetic to anyone who suffers because his eyesight is failing, but there should be some better method of handling grievances than to have them result in the shutting down of this whole system for the movement of grain.

In 1969-70 Canada exported some 436 million bushels of grain. Almost half of this, 197 million bushels, went through the Pacific coast ports. This is almost the same as the amount that goes through the east coast ports taking into consideration the more than 20 million bushels going through the port of Churchill.

How do the storage and handling facilities in the port of Vancouver compare with those at Thunday Bay? Grain storage at Vancouver harbour accommodates some 25 million bushels, whereas the storage facilities at Thunder Bay accommodate 102 million bushels. In other words, storage space for 25 million bushels at Vancouver has to do the job that is done by storage space for 102 million bushels at Thunder Bay.

In order to export through the west coast this year a quantity in excess of 300 million bushels, if my calculations are correct, the capacity has to be turned over twelve times whereas the same quantity through Thunder Bay uses the total capacity only three times. It is no wonder that Vancouver faces the severe difficulties it does.

Mr. Lang has had a task force looking into this problem, and I understand their report is now in the hands of the trade. I believe it should be made public soon, and I hope that it will indicate some things that may be done to improve the facilities at Vancouver so that we will be able to export larger quantities of grain through that port.

Some things to improve the situation that come to mind are the following: The work week should be increased to seven days. There should be a greater availability of hopper cars. Senator Paterson knows more about this than I do, but I understand hopper cars handle approximately 3,000 bushels as compared to ordinary grain box cars that handle some 2,000 bushels. In addition, hopper cars can be unloaded rapidly and quickly turned around.

As was suggested by the Palliser group and others, there should be more use of inland terminals for the purpose of conditioning grain—that is, cleaning and getting it ready for shipment to the west coast.

There is no question that there would be difficulties, but if it is a matter of overcoming those difficulties and obtaining greater sales, or failing to overcome them and suffering a reduction of sales, then I think consideration should be given to a greater use of inland terminals. There is obviously a great need for more terminal and loading facilities on the west coast.

I have talked about the need for programs to provide a greater measure of national unity in this country, and I cannot help but feel in my bones that if the difficulties at Vancouver had occurred on the Great Lakes or in the St. Lawrence Seaway the weight of political pressure from Ontario, Quebec, and parts east would have quickly resulted in steps to bring about a solution. There is not the same kind of pressure on the west coast because it is further away and there are fewer people involved. However, I am hopeful and confident that the Prime Minister will take a sympathetic look at the difficulties on the west coast and cause action to be taken during this calendar

year to start the processes that will result in the facilities at Vancouver being improved so that they are capable of handling a much larger quantity of grain.

• (1440)

We expect to export from Canada 800 million bushels of grain this year. Perhaps we could be exporting a billion bushels. If we were exporting a billion bushels, perhaps a large part of that grain would go to far eastern countries.

It could easily be that in the future 60 per cent of the grain from Canada will go through our west coast ports. If that should be the case, then it is essential that the facilities at Vancouver be improved and expanded so that they can double the quantity of grain exported out of Vancouver. How can we depend on having perfect weather through our mountains and a clockwork system of bringing in the grain and shipping it on the boats within a one- or two-week period? I would recommend that emergency steps be taken to solve the problems on the west coast so that there can be a greater facility in the movement of grain through that port.

Our grain industry is going through something of a revolution, and the grain handling facilities on the Prairies are beginning to go through a revolution. The government and those involved should be bringing forward a plan for the rationalization of grain elevators on the Prairies in such a way as to maintain a maximum amount of competition, and maintain a situation in which the producer can be confident that he is getting a fair deal when he hauls his grain to a local community elevator. There should be a system whereby he can be confident that one company or a small group of men is not in a position to take away the grain handling facilities he has enjoyed at his local point for many, many years, without giving him some recourse and some opportunity to have a voice.

There was a very large deal announced on the Prairies some weeks ago. It was announced that three Prairie pools were buying out the Federal Grain Company. The giants were buying out another giant. The Federal Grain Company was the biggest private grain company, and it is being bought out by the three Prairie pools. That by itself has to raise a goodly number of questions.

I am a member of the Saskatchewan Wheat Pool. Over the years I have delivered most of my grain to the Saskatchewan Wheat Pool. I am a member of the local wheat pool committee, and have been for some years, and I think I can say that the purchase of Federal Grain elevators by the Saskatchewan Wheat Pool was made without the instruction or knowledge of either the wheat pool membership or hundreds of wheat pool committee men throughout Saskatchewan. This was a decision made at the time by the board of the Saskatchewan Wheat Pool and no one else. I am sure that the Federal Grain Company made its decision in the same way. The Federal Grain Company is having a meeting tomorrow of its shareholders, who no doubt will approve the arrangement. However, there has been no method that I know of whereby the rank and file wheat pool member could express in advance his opinion on what should be done about this major undertaking.

This purchase raises a number of questions and problems. By one stroke it creates a semi-monopoly in the Saskatchewan grain business, placing 64 per cent of the business in the hands of one company. It places the power to close hundreds of elevators in Saskatchewan in the hands of a group of men in Regina. I know these men personally; they are good men, they are good businessmen. There is no doubt that they have the interests of the farmers at heart, as they see it. But I would suggest that before they come out to my little hamlet to close down the local elevator, there should be an indication of the will of the local members and the patrons of that organization. That is why I make these statements.

Among the questions I would ask are: Was the Saskatchewan Wheat Pool board of directors wise in making this decision? Did the board exceed its constitutional authority by committing wheat pool members to an additional debt of $29 million? Does this further increase in debt by the Saskatchewan Wheat Pool now make it more difficult for wheat pool members to get paid their own money which is being held as equity by the wheat pool?

The last question is a very important one. The wheat pool is financed by the investments of its members, some 60,000 of them. Some have a $500 investment, some have a $2,000 or $3,000 investment. From time to time they want their money out, or a portion of it. My question is: Does this further indebtedness of the Saskatchewan Wheat Pool impair the ability of this organization to pay out these sums of money as quickly as its members would wish?

I cannot help but ask whether or not a move to bring together in one province the two largest grain-handling organizations does not, on the face of it, contravene the Combines Investigation Act as an undue restraint of trade.

Has the government a policy with regard to a further move? This is not the last one; this is just the beginning. Are all the private companies going to sell out? Are they going to sell out to only one farm organization or will they sell out, in some instances, to the United Grain Growers? One of the strongest critics of this move was Mr. Mac Runciman, the farmer-president of the Co-operative United Grain Growers, the other large farmer-owned elevator company on the Prairies.

I ask the Leader of the Government in the Senate: Should the Government of Canada now refer this purchase to the Combines Investigation Act to see whether it constitutes a combine, an undue restraint of trade? Should the Government of Canada now set up a board to which appeals against closing of elevators can be made by farmers adversely affected, just as appeals can now be made against closing of railway branch lines? A few years ago we were terrified that the branch lines might be removed and the opportunities of farmers to market grain thereby drastically curtailed. The question now arises: Can a grain organization, in the interests of its own efficiency, close numerous country elevators, removing these facilities from local patrons, without the local patrons being given a chance to go to a public forum, make their position known, and to have this whole thing adjudicated by an independent body?

• (1450)

I would suggest that the farmers of western Canada would be grateful in this developing condition if there were such a body to which they might appeal when a local

elevator is being closed and when they feel that rationalization is being carried on to a degree that increases their costs by making it necessary for them to haul their grain much greater distances.

I am pleased that we are making tremendous progress in exporting larger and larger quantities of grain. We need a more efficient transportation system and a more efficient system of assembling grain. The minister in charge of the Canadian Wheat Board, and his officials, should give an overall look at this whole question. They should try to set up a system which, while it provides an improved measure of efficiency, will also safeguard the rights of local producers to have marketing facilities within easy reach of their farms.

The note on which I started was that the government is moving in the direction of providing policies to assure greater national unity in Canada. To bring about greater unity, we must have English-speaking Canada and French-speaking Canada working together. It is easy to think that Canada is divided between people of French origin and people who originated from the British Isles. However, that overlooks a very substantial section of our nation. The government has announced that it is bringing in a policy to promote multicultural activities. I am pleased that this is being done. Canadians who are not of French or British extraction are pleased that this step is being undertaken and that these others are being given some recognition. According to the *Canada Year Book*, the 1961 census showed that 43.8 per cent of Canadians had their origin in the British Isles; 30.4 per cent in France, and some 25 per cent in other countries.

I should think that in this chamber greater recognition could be given to our diverse Canadian culture, by the appointment of a significant number of senators from among those people who originated in other countries. I am delighted that in the Senate, in addition to those of us so-called British or French extraction, there are three distinguished members of the Jewish community, a distinguished senator of Ukrainian origin and a distinguished Indian. I may have omitted others, but I know of no senator who is of German or Italian origin, although those nationalities comprise substantial segments of the Canadian nation. I would recommend to the Leader of the Government (Hon. Mr. Martin) that the Prime Minister be asked, when making appointments to the Senate, to see that our membership here reflects to a much greater extent than at present the multicultural make up of Canada. The position of English-speaking Canadians of British extraction would be stronger, as would the position of French Canadians, since you cannot have a strong nation if 25 per cent of its people—those who come from other extractions—feel they are being overlooked and that their natural aspirations are being neglected.

Honourable senators, as a Canadian I am proud to occupy a position in our upper chamber. I have confidence that the present government, and the government that follows, will appoint to this Senate, in increasing numbers, persons who will represent, by their origin, the other important sections of Canada so necessary to the continuation of a strong and virile nation.

Hon. Mr. McDonald: Honourable senators, may I put a brief question to Senator Argue? He said that when the Federal Grain Company was purchased by the three prairie pools, the local delegates of the pool organization had not been contacted. Is it not true that a shareholder of the Saskatchwean Wheal Pool is not entitled to attend an annual meeting?

Hon. Mr. Argue: My understanding is that a shareholder of the Saskatchewan Wheat Pool is not entitled to attend an annual meeting. The annual meeting is of their delegate body. I have complained of this privately. Almost all their sessions are secret. I think that is a mistake. Certainly, I cannot understand why the doors would not be wide open so that 50 or 100 or a 1,000 Wheat Pool members would be made welcome at their annual meeting.

Hon. Mr. McDonald: Thank you. I could not agree more. Is it not also true that a delegate to a local committee is not entitled to attend an annual meeting?

Hon. Mr. Argue: A member of a local committee?

Hon. Mr. McDonald: Yes.

Hon. Mr. Argue: I am a member of a local committee, and I do not think I have any more right to attend an annual meeting than if I were only a local member. It is a hierarchical system. One may argue that it is completely democratic with the powers two or three stages removed. It is quite difficult for the wishes of a local committee to be reflected at the head office.

Hon. Mr. Choquette: It goes against the grain.

Hon. John M. Macdonald: Honourable senators, may I add my congratulations to those already extended to the mover and to the seconder of the Address in Reply to the Speech from the Throne. By now they may well feel that such congratulations are but a pleasant formality which is a part of the Senate tradition. If they do feel this way, then I am happy to inform them that such is not the case. The congratulations they have received are a sincere expression of the appreciation felt by all of us for the excellent manner in which they fulfilled their task. It was a job well done and worthy of congratulations.

However, I must confess that, on hearing those speeches by the mover and by the seconder, I hastened to read the Throne Speech all over again as, for some reason or another, I did not seem to get as much out of it as they did. Again, on hearing some of the other speeches given in this debate, I read the Speech again several times, as I felt I must be missing some essential part of it, since it wholly failed to evoke in me those sentiments of admiration, and indeed of veneration, that it seems to have evoked in others.

Honourable senators, I will not pursue this further, as today I wish to speak in a nonpartisan manner and even to give some credit where I think it is due, although before I conclude my remarks I may have some mild criticism of some items in the Throne Speech. I may also mention one or two matters not dealt with and which I believe should have been.

I do approve of that part of the Speech which mentions that steps will be taken to provide compensation for victims of crime. Certainly, such a move is worthy of support. As you know, several of the provinces already do this, but since criminal law comes under federal jurisdiction it would seem logical that compensation for the vic-

tims of crime would be a federal responsibility. There can be no doubt about victims of crime being entitled to receive compensation. After all, it is an essential duty and an essential responsibility of the state to provide protection for the life and the person of each of its citizens. If the state cannot give such protection, if it fails in this duty, then it is only right and proper that it pay compensation to those who suffer on account of its inability or its negligence.

The speech also mentions that some amendments will be proposed in the administration of the criminal law, and indeed bills have already been introduced in the House of Commons to make such amendments. One bill, Bill C-2, is quite extensive, containing 76 clauses. I think most of these clauses are non-controversial and will find ready support. For example, one amendment will change the present dividing line, as it were, between indictable and nonindictable offences in theft cases from the present $50 to $200. You will no doubt recall that a private bill to bring about this very change was passed in this chamber twice but got lost somewhere in the routine of the other place. In my opinion the amendments contained in this bill, and others, while good do not go nearly far enough. Personally I think the amendments proposed are a patchwork affair. The whole Criminal Code needs to be examined in the light of changing conditions, and recommendations should be made to streamline it and bring it up to date.

• (1500)

The administration of justice, especially criminal justice, is a slow, leisurely and cumbersome process and more suitable to the pace of the nineteenth than to that of the twentieth century. I understand there is a commission or task force working on a proposed revision of the Criminal Code. I hope we will receive their recommendations before too long. I hope they will recommend that the distinction between indictable and nonindictable offences be abolished, as I believe the administration of justice would be better served if there was but one procedure, and if the option of trial by jury were governed by the type of sentence which could be imposed. I will not discuss this matter further now as we will have ample opportunity to discuss it when the bills I have mentioned come before us. I shall only add that I firmly believe some method must be found to speed up the administration of justice, especially where the criminal law is involved, otherwise respect for the law will be further eroded, since in my opinion it is not held in very high respect at the present time.

May I say in passing that I believe it would be a better practice when amending statutes to have a separate bill dealing with each statute. For example, Bill C-2 is entitled, "An Act to amend the Criminal Code, and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act" and Bill C-6 is entitled, "An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act."

Recently we received the new Revised Statutes of Canada 1970 which consolidates the statutes up to that time. It would make it much easier for those who must work with the statutes if separate bills were used. It would certainly make it much easier to keep the Revised Statutes up to date. May I also say in passing that Bills C-2, C-6 and C-7 could have been dealt with much more expeditiously if they had been first introduced in this chamber.

Mention is made in the Throne Speech that there will be further reforms in the parole system. I hesitate to comment on this until we know exactly what is to be proposed, especially as our Legal and Constitutional Affairs Committee is now making an examination of the whole system. However, I would like to pay a well-deserved tribute to the members of this committee for the work they are doing in examining the parole system. I am not, I regret to say, a regular attendant at the meetings but I did attend on Thursday last and I was most impressed. It was an interesting and instructive meeting, and I am sure that the committee's report will be a very valuable document. I would also say that this meeting strengthened the conviction I already had that the present Parole Board members are doing admirable work. They are doing a work which by its very nature cannot be given publicity, but if it could be made known I believe it would draw universal praise and commendation.

I suppose it is inevitable that we hear of the failures under the parole system but we cannot hear of its impressive record of successful rehabilitation in a great many cases. I do believe the Parole Board as presently constituted deserves the thanks and wholehearted support of all who are interested in this important matter.

Honourable senators, I expect many of you were surprised, as I was terribly surprised, to find nowhere in the Throne Speech any reference to the war on poverty. Indeed there appears to be no reference whatsoever to the great problem of poverty in Canada. To be fair about it, there is a passing reference to the "isolation of individuals caused by economic deprivation" and perhaps this means "poverty" dressed up in fancy language. No, I could find nothing in the Throne Speech which would indicate to me that the government had any real concern regarding poverty in Canada. Certainly there is nothing to show it has any realistic plans to fight this grave and pressing problem. And yet the government should know the awful extent of the problem.

The report of the Special Senate Committee on Poverty showed the extent of poverty in our country without seeking either to minimize it or to exaggerate it. That report showed that in 1969, the last year for which it had statistics, the overall poverty rate was just over 25 per cent. I doubt if there has been much, if any, improvement since then. Indeed, I remember being shocked just before last Christmas when I saw the number of appeals being made for funds to provide Christmas dinners for needy families. Why even here in Ottawa, the capital of Canada, there was such an appeal. The Ottawa *Citizen* of November 25, 1971, stated it was starting its annual Christmas Exchange Fund, and I quote from it: "The Fund this year hopes to provide 35,000 meals for the underprivileged at Christmas." It does not look as if the war on poverty has been won if in the very capital of Canada 35,000 meals were needed at Christmas for the underprivileged, and I take it that means the poor. No, the war on poverty has not been won, although one would never know it by the Speech from the Throne. Nor is the problem solved by

giving poverty another name. Poverty is poverty even though terms like the "needy" or the "underprivileged" or the "isolation of individuals caused by economic deprivation" are used.

Honourable senators, I wholly agree with the statement contained on page 175 of the report on poverty, and I quote it because I believe it cannot be quoted too often or emphasized too strongly:

> The Senate Committee is firmly convinced that the time has now come for Canada to incorporate the right to an adequate standard of living for all Canadians into the Canadian Bill of Rights. It is also clear that an adequate standard of living in the Canadian context is dependent on the security provided by an adequate income. The acceptance by Canada of an adequate minimum income as a matter of right for all citizens is the principal recommendation of this report.

And may I interject here that every time I read the report I am more and more impressed with its contents. It is really a tremendous work and will long remain as a tribute to the zeal and the dedication of the members of that committee.

• (1510)

Certain proposals were made by that committee which the members believed would, if implemented, go a long way toward solving this urgent and massive problem of poverty. A brief outline of the main proposal is found at page 178 of the report, as follows:

> The committee proposes the implementation of a program of guaranteed annual income using the negative income tax method, on a uniform, national basis, financed and administered by the federal government, making uniform cash payments to all resident Canadians in economic need. Payments would vary by family size and need and would establish a "floor" level below which no family unit would be permitted to fall.

The committee went into detail as to the way the plan would operate. It even took into consideration and provided against the remote possibility that the plan would erode a person's will to work.

I believe this plan has great merit and is worthy of support, and I am sorry it was rejected by the government in what can only be described as indecent haste. On the other hand, I think the committee did not go far enough to provide for certain classes of people. For example, I do not think the proposal that the basic allowance rate be established at 70 per cent of the poverty line should apply to those of our older citizens who are unable to supplement the guaranteed annual income in any way. I know of old people who were always able to pay their own way, who saved a few dollars over a lifetime of frugal living and were always independent. Now living, perhaps, in a home for the aged, their income is no longer sufficient to pay their way. They see their life savings being rapidly eaten up, and they worry about what the future holds for them. It is a dreadful thing, a shocking state of affairs, that old people who should be passing their few remaining years in an atmosphere of serenity and security are frightened of the future. This should not be. I know it has been said that in effect there is a guaranteed annual income now, that old age security plus the supplement is such an income for those over 65 years of age. I point out that the committee recommended an "adequate income," and it is wholly unrealistic to classify the old age security and the supplement as adequate in any sense of the term. I do believe that the government should now, at this session of Parliament, show it has at least some realization of the plight of our older citizens. It should show some sense of compassion and of justice by increasing the supplement to the old age security to a realistic and adequate level instead of leaving it the miserable pittance it is now.

Hon. Mr. Martin: It is the highest in the world.

Hon. Mr. Macdonald: I do not agree. And your alibies have no effect on me.

Honourable senators, I notice by the Throne Speech that unemployment continues to be a matter of intense concern to the government, and well it might be. With over 600,000 Canadians unemployed, the government should be concerned. It should also be concerned by its utter failure to institute policies which would generate and stimulate employment. The record of the government regarding employment is very dismal. You may remember as I do the attitude of the then Minister of Labour when, speaking in the House of Commons on January 18, 1971, he made a very cold-blooded statement in reference to unemployment. I quote his very words:

> It takes courage sometimes to create unemployment. We have created unemployment in the textile industry and we will probably create it temporarily in other industries as we automate and as we rationalize these industries.

The minister has not stated, to my knowledge, in just what other industries unemployment has been deliberately created, nor has he indicated just what length of time he considers to be temporary—a week, a year or perhaps forever. And then just as recently as last November that intense concern was not so evident. The Ottawa *Journal* of November 15, 1971, carried a Canadian Press story of an interview given by the Prime Minister. It quoted him as saying these words:

> In a society which has evolved as much as ours has, people can give themselves the luxury of not accepting simply any job. It isn't like the 1930s when there were no jobs, when people kicked up their heels and lined up for anything. There are plenty of jobs.

That statement does not appear to me to indicate an intense concern for the unemployed.

I believe that unemployment is the most pressing and urgent problem we face at this time. Over 600,000 of our fellow Canadians are without work. They are subject to all the deprivation, the frustrations, the worry and the fear which result from loss of employment. They are subject, to use the fanciful language of the Throne Speech, to the "isolation of individuals caused by economic deprivation." I expect it is but cold comfort to an unemployed person to know that others share his isolation, that over 600,000 others are in the same horrible predicament.

Honourable senators, the Speech from the Throne must have been a bitter disappointment to those Canadians

who live below the poverty line, it must have been an even more bitter and harsh disappointment to the over 600,000 unemployed. What a disappointment it must have been to those looking for something in the Throne Speech which would have indicated that the government, even at this late date, intended to introduce legislative programs to alleviate poverty, and unemployment. And I doubt if it was of much comfort to them to read, for example, that the Government of Canada is committed to the acceptance of love and understanding as the most important of human traits. Some commitment!

Honourable senators, since in my opinion the Speech from the Throne contains so little of substance, since it contains no proposals for the alleviation of poverty, since it contains no realistic plans to provide employment, and since it contains so many pious platitudes in place of reasonable policies, I am unable to support the motion.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lawson: Honourable senators—

The Hon. the Speaker: Honourable senators, I must remind you that this debate is limited to eight days by the orders of the house. In the case of the honourable Senator Lawson, Rule 28 applies. This rule provides that a senator shall not speak twice to a question before the house. I must therefore ask if leave is granted to the honourable senator to address the house?

• (1520)

Hon. Paul Martin: Honourable senators, I remember the circumstances of the intervention in this debate by Senator Lawson, as do, I am sure, other senators. He was replying directly to a previous speech. It is understandable that he perhaps was not fully cognizant of the rule. In the circumstances, I believe we would all agree that Senator Lawson take part again in this debate, in spite of his earlier intervention, which was addressed to a particular point and which impressed all of us, in my opinion. In view of these circumstances, I suggest that we grant leave.

The Hon. the Speaker: I understand that leave is granted to the honourable Senator Lawson.

Hon. Edward M. Lawson: Thank you, honourable senators. I assure you that what happened resulted from my ignorance. As Senator Martin points out, I was replying directly to Senator Haig's remarks. Had I been speaking on the Address in Reply to the Speech from the Throne I would not have been so parochial or selfish as to speak only with respect to the question of labour.

I endorse many of the remarks of Senator Argue, particularly with reference to the port of Vancouver and the need for greater facilities. The people and city of Vancouver are anxious to support any steps which may be taken to make the port more efficient in the handling of wheat.

As far as the Speech from the Throne is concerned, I am particularly pleased that the government is expressing concern for the unemployed. I agree with Senator Macdonald's views that it is the most serious problem facing the country today. We have a large number of unemployed in British Columbia, partly because of the type of industry there, and partly because many unemployed people throughout Canada find they can be unemployed in more favourable circumstances in British Columbia than any other part of Canada.

I accept the statement of the government with regard to the contribution it has made in creating additional jobs over the past year. I accept the figures they put forward and that it is a better record than those of other countries. On balance I believe it is pretty good, but it is simply not good enough. I have no sympathy for those who are unemployed and who will not take jobs for which they are qualified when such jobs become available. That is one category. In my opinion, however, it is a crime against humanity that jobs are not available for those willing and anxious to work.

The easiest course is to say simply, "Let us place the total responsibility for the problem on the government." I wish I could do that. It would be so much easier. When I ask myself what contribution I have made in any way to alleviate unemployment, I can say that in my function as a trade union representative I have assisted in extracting from many industries money that ordinarily would have been locked in the vault and caused it to be put into circulation to create more jobs. But, I wonder if we have all made the kind of contribution that we should and could have made, or if we have simply said it is the government's responsibility?

A series of conferences with the provinces should be held, not of management separately and labour separately, under the auspices of the federal government which, in my opinion, should give leadership in this area. They should be conferences, which involve management, labour, and government, to explore what can be done collectively to create a better economic climate and more jobs, to stimulate the economy, and so on. Following a series of conferences in the provinces there should be a top level conference involving senior members of cabinet and officials of management and labour to consider the conclusions reached. Collective steps to provide a better atmosphere, stimulate the economy, provide more jobs, and alleviate unemployment should be discussed. It seems to me that this is the type of approach that we must consider.

Everyone is concerned about inflation. So am I, but I think that if a choice has to be made between a small dose of inflation and a large dose of unemployment, the 600,000 unemployed will opt for a small dose of inflation, and I support that position.

When concerned about inflation, people ask what happens to those on fixed incomes, and those who do not have any recovery power by bargaining rights. That is a concern, but it seems to me that in the case, for example, of senior citizens there is concern about the return on whatever shares or investment in industry they have. Surely senior citizens who have invested a lifetime in building this country are entitled to a share of the gross national product sufficient to give them a decent standard of living. If recovery of the necessary funds requires greater effort and productivity, then that must be achieved.

There is concern with respect to organizing. I do not know how many honourable senators received a copy of this document. In the federal civil service there is an organization known as the P.S.A., the Public Service Alliance. We have in British Columbia an emerging organ-

ization known as P.F.A., the initials of Pensioners For Action. The pensioners are organizing. I do not believe we need worry with respect to their rights or about imposing binding arbitration upon them, but they will organize. Perhaps they will be more effective in the area of the ballot box, and collectively they will count. It seems to me that we have some responsibility to provide for those on fixed incomes, and to take steps on their behalf before this becomes a fact.

I am glad to see in the Speech from the Throne that there seems to be concern for women's rights. I think this is good, because that is another group which is in the process of becoming organized. I do not wish to be understood as being an advocate of women's lib, or anything like that. I know how easily any reference involving women can be misunderstood. A lawyer friend of mine acted as executor for a will in which the deceased husband provided that $6,000 be set aside in order that upon his death his wife could buy a suitable stone in his memory. She bought a star sapphire. I want to be careful how I express this, because one can easily be misunderstood.

We have a tendency to overlook housewives who are not included in the statistics of employment, and not considered to be part of the work force. Heaven knows, they certainly make a contribution to the country as a whole. Federal legislation provides for paid statutory holidays and annual holidays for many groups and classifications of workers, but not for housewives because they are not considered to be workers. It seems to me that before this group organizes we should speak in terms of extending that legislation to provide paid statutory holidays and paid annual leave for housewives, so that they may take a holiday, perhaps even away from their husbands, before they recognize that they also have considerable bargaining power. Once they recognize that, I suspect there will be many hot days and cold nights.

I am also pleased to see that the Speech from the Throne refers to concern for farms and agriculture. I am concerned about areas such as the Fraser Valley in British Columbia. As a country boy who walked and ploughed those green fields, I am concerned about the green spaces that we will lose to developers if steps are not taken. I am concerned that many municipalities, cities, and even provinces are not taking the necessary steps in this direction. We shall have to look to the federal government for leadership in order to preserve some of these farmlands, these producing areas and wheat belts. I hope we shall be encouraged in the practice of consulting with those who are best qualified to decide these issues—not academics, but farmers and people who live and work in the area, and who understand local conditions and feel for the soil.

• (1530)

I was pleased to see that the Speech from the Throne made reference to a new labour bill to be introduced. I do not wish to deal with this matter at any length. The opportunity to do so will be given when the measure comes before us. In view of so much concern about the impact of militancy associated with labour, I hope that the new bill will provide for the organization of an increasing number of workers. It is to be hoped that eventually 100 per cent of Canada's work force will be organized.

[Hon. Mr. Lawson.]

Most people shudder in horror at such a possibility. They complain about militancy on the part of a small group of organized people, yet they oppose any move to organize the labour force which would have the effect of bringing in what is called the silent majority, of decreasing incidents of militancy, and would provide an opportunity for the work force to express its views. There is need for industry to reshape its thinking, and we should encourage further organization of the work force.

I have always maintained a jealous regard for my role as an Independent, but on one point I should like to identify myself with the comments of that thoroughbred Tory, Senator O'Leary, regarding our relations with the United States.

A few weeks ago, following an invitation by President Nixon, I had the opportunity of attending a conference in Washington, D.C. dealing with United States economy, business, and industry in the 1990s. The conference discussed some of the innovations affecting ships of the future. It was envisaged that major deep-sea vessels would be equipped with elevators and barges which would enable them to travel from deep-sea channels to small tributaries which at present do not have the facilities for large ships. Natural gas would be used and, by means of a process of refrigeration, millions of cubic feet of natural gas would disappear into the atmosphere. Other matters discussed concerned the design of kitchens which would make life easier for housewives, economic matters, human relations, and labour-management relations.

I agree with Senator O'Leary's views concerning the closeness of our relationship and our interdependence with the United States. While I endorse the remarks of the Prime Minister that we should bargain from a position of strength, I believe that we should do everything possible to preserve that close relationship with our neighbour.

I was pleased to hear the comments of His Honour the Speaker and Senator O'Leary of the meeting of the Canada-United States Interparliamentary Group which took place recently in Ottawa.

While I was in Washington I was interested to observe the attitude of the American delegates towards Canada. It is very easy for us to talk about our attitude towards Americans, and to express concern about their taking over our industries, and so on. It might be of interest to share with honourable senators an extract from a report on the White House Conference, which provides an indication of what is likely to happen over the next 20 years, and an insight into America's attitude toward us. The report, titled "Commerce Today", and subtitled "A Look at Business in 20 Years", states:

> Canada made no change in its currency as a result of the new monetary arrangements but will continue to maintain a floating exchange rate without government intervention except as required to maintain orderly conditions.
>
> The Canadian dollar was unpegged in June 1970 from its fixed rate of 92.5 U.S. cents and has since floated upward in relation to the U.S. dollar. In the last quarter of 1971, the value of the Canadian dollar fluctuated between 99 U.S. cents and par with the U.S. dollar. When the U.S. dollar is devalued, the Canadian

dollar will simultaneously move downward, maintaining the same differential between the two currencies.

Despite the unchanged position of the Canadian dollar, U.S. exporters should find the new monetary arrangements benefiting their sales in the Canadian market. The pace of these sales is closely linked to the rate of growth of the Canadian economy. The removal of uncertainties about international monetary arrangements and the lifting of the U.S. import surcharge has given a boost to Canadian business confidence which had been shaken by the world monetary crisis.

With Canadian exports heavily dependent on the U.S. market, the U.S. surcharge imposition and the exclusion of foreign-origin machinery from the Investment Tax Credit raised doubts in the Canadian business community as to the prospects of sales to the United States. This widespread uneasiness had threatened to slow Canadian economic recovery, which was showing signs of strength in the latter half of 1971. As a result of the economy's sluggish performance in 1970, U.S. exports to that market had declined slightly after having registered substantial annual gains in the previous decade. The year 1971 was considerably better, with an increase of 10.4 per cent.

The resurgence of confidence enhances the prospects for a rapid growth of the Canadian economy in 1972. The improved business climate should give an impetus to spending for plant and equipment, and result in better sales possibilities for capital goods. The United States traditionally has been dominant as a supplier in this sector.

U.S. exporters should also gain on the Canadian market as a result of an improved competitive position vis-à-vis third countries. Although no change took place in the U.S.-Canadian monetary relationship, the currencies of the chief competitors appreciated substantially. Based on the May 1, 1971, exchange rate for the Canadian dollar, the value of the Japanese yen rose by 16 per cent, the German mark by 13 per cent, and the British pound by 8 per cent. This should strengthen the position of U.S. products in Canada, where they hold the lion's share of the import market—more than 70 per cent. In finished products, the U.S. share of the Canadian market is even larger—approximately 80 per cent.

Among the areas in which the United States stands to gain from a better competitive position are automotive products and certain consumer goods. In recent years, there has been a growing Canadian demand for small cars from overseas sources such as Japan, Germany, and the United Kingdom. In 1971, vehicles from overseas accounted for 24 per cent of Canadian car registrations. With U.S. car prices now more attractive, we should be able to take advantage of the strong market for new autos. Sales of U.S. models produced in Canadian branch plants should also increase, and this will mean export gains for the United States in automotive parts.

Rapid economic growth in Canada over the next few years is expected to spark a substantial boom in consumer goods purchases. Although consumption is largely satisfied from local production, there should be increased opportunities for U.S. exporters. For example, an improved price position will help the U.S. to compete on better terms with the Japanese in sales of photographic equipment, stereo systems, and home furnishings.

Taking into account the renewal of business confidence in Canada, the intention of the Canadian government to pursue policies aimed at stimulating the economy, and the stronger position which the U.S. exporter will have vis-à-vis third country competition, Canada should prove an increasingly attractive market to American firms that are seeking to expand their export sales.

• (1540)

Surely we should start to have some confidence in ourselves. Someone asked me recently, "What can we do about solving the problem of unemployment? Is there any simple, easy solution?" It seems to me that if there is, it is to be found in the word "confidence". The solution cannot result from a joint program between the provinces, or from a large capital expenditure by the federal government on a crash program. The solution, it seems to me, is to install in each and every Canadian confidence in himself, his employer, his government and the economy of his country.

If we are to have a democratic contest in the not too distant future I hope that it be a spirited one with criticism of things that have been done or have not been done, but I hope also the criticism is not put in such a way as to undermine the confidence of Canadians in their economy or in their country.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Buckwold seconded by the honourable Senator Lapointe, that the following Address be presented to His Excellency the Governor General of Canada:

> To His Excellency the Right Honourable Roland Michener, Chancellor and Principal Companion of the Order of Canada, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.
>
> MAY IT PLEASE YOUR EXCELLENCY:
>
> We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Macdonald: On division.

Motion agreed to and the Address in Reply to the Speech from the Throne adopted, on division.

On motion of Hon. Mr. Martin, ordered that the Address be engrossed and presented to His Excellency the Governor General by the Honourable the Speaker.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Martin, seconded by Hon. Mr. McDonald, that the following senators be appointed to act on behalf of the Senate on the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, namely, the honourable Senators Fergusson, Forsey, Goldenberg, Grosart, Haig, Lafond, Molson and Rowe; and that a message be sent to the House of Commons to acquaint that house accordingly.

[*Translation*]

Hon. Eugene A. Forsey: Honourable senators, I do not have much to add to the learned speeches we have already heard on this motion. Moreover, it is an honour for me to be a member of this very important committee. It is high time we had such a committee in the Canadian Parliament.

I think that in a society which wants to call itself a just society such a committee is imperative. It is an indispensable part of the mechanism of the constitutional body which a just society needs.

I think that the task of this committee will be enormous and extremely complex. I expect a great part of this work will fall on those committee members who come from the Senate, insofar as we are of course under far less pressure than members of the House of Commons. There will very likely be fewer changes in the make-up of the committee on the Senate side, as in the next few months we will probably have a general election where some members of the House of Commons will—perhaps unfortunately, or perhaps fortunately in some cases—lose their seats; whereas in this place we have a little more stability, so to speak, since we are here, if not, as formerly, until we die, at least, God willing, until the age of 75. So I think we shall have a fairly stable group of members on the Senate side, and in the work of this committee we shall have the opportunity to give the general public and the Canadian population ample proof of our value. It is sometimes—and not only sometimes—believed that we represent the big shots of St. James Street or Bay Street, but here is an opportunity for us to demonstrate to the general public exactly the opposite: that we are rather, for the purposes of this committee at least, representatives of the public, of Canadians in general.

I think that not only shall we have the opportunity to prove this fact, but we shall do our duty in this connection and we will give proof of our value as members of the Upper House, of the house of sober second thought, and so on.

I must emphasize some aspects of the previous speeches, some points made by the honourable senators who spoke before me in this debate, such as, for instance the absolute necessity for this committee to have expert and adequate staff. Here I am not talking only of committee members, but of staff in the technical sense of the word, so to speak—experts, members of the Public Service of Canada, for instance. In order to do our job, I think we shall sorely need expert and adequate staff because even if all the senators and members of the House of Commons do their best to carry out their duties as members of this important committee, there will be such a mass of documents to be scrutinized, so many things to be done and so much expertise of all kinds will be needed that without a sufficient number of technical and knowledgeable staff, the committee will be unable to properly carry out its duties which to me, and I say it again, are of the utmost importance.

I do not share Senator Grosart's disquiet about the impotence or alleged impotence of the committee. In the first place, it should be emphasized that on the Senate side, the committee will be bi-partisan or even multi-partisan since it will include not only Liberal and Conservative senators, but also a representative of independent senators in the person of Senator Molson who, it is needless to say, is a very experienced and highly valued senator and, I believe, has an unequalled knowledge of public affairs.

On the House of Commons side, the committee will also be multi-partisan. I do not think there will be any partisanship within the committee. It will be a committee of technicians and experts. We shall also obtain the assistance of various experienced legal experts, not only from the Senate but, I hope, from the House of Commons.

Moreover, we shall have Senator Grosart himself, that valiant and vigilant defender of the people's rights, that distinguished spokesman of the Opposition in this house. I think we can rely on his vigilance and strength as well as on his intelligence and experience to defend the people's rights.

Hon. Mr. Choquette: It will be a happy gang.

Hon. Mr. Forsey: Oh! No, not that.

Hon. Mr. Choquette: Let us hope we have a happy gang.

Hon. Mr. Forsey: If you wish, senator, if you wish, but I do not think I can use these words myself since I believe there will be sometimes within the committee, more tears than smiles. This will be not only hard work, but even a heartbreaking task at times. "Happy" if you like, but I rather doubt it.

I believe we shall also have the normal powers vested in any committee. Senator Grosart, if I remember correctly, has asked for instance whether the committee will have authority to report to this House. I think it is a matter of course, because I have looked into the rules of the Senate and found that Rule 71 deals with this matter. I should like to quote from Rule 71:

> A standing committee—

—and this is a standing committee—

> —shall be empowered to inquire into and report upon such matters as are referred to it from time to time by the Senate—

Well, I think this joint committee of both houses will have exactly the same powers in that respect as any other standing committee of the Senate alone—someone might correct me if I am wrong—and if the committee is empowered to report to the Senate, once the report has been tabled here, any senator, as far as I know, has the right to call the attention of the Senate to that report, to initiate a debate on it. Furthermore, should anything disquiet the members of the committee, if a report is made on that situation and a senator calls the attention of the Senate to

that situation, to those deficiencies, to those bad aspects of a regulation or any part of a regulation, well, I think public opinion will soon be alerted and attention will be focused on the issues involved, and no government can resist a well-informed public opinion on a subject the said public opinion considers to be of special importance.

So, I think that if the committee does its duty—and I am sure it will—I think, as I say, we shall have sufficient protection against the excesses of bureaucracy—as people say sometimes—the excess of the cabinet, the excesses of the government and any part of the organism of government, either from ministers or from civil servants. However, the success of this committee will in the final analysis depend on us—not only the members of the committee, but also the members of the Senate who I think should scrutinize in a proper way the work of the committee.

As far as I know, any senator has the right to appear before any committee—except in the case of meetings held in camera.

So, I think one can hope that many senators who are not members of that committee will attend the meetings of that committee to examine our efforts, to encourage us, to administer punishment, should this become necessary. I hope the Senate in general will take an interest in our work.

I think the committee will have a heavy responsibility, a responsibility of the first order, for public interest, the interest of the average citizen . I hope that all the members of the committee will be equal to the task.

I have absolutely nothing to add to those few remarks, honourable senators. I apologize for their mediocrity but when gifted speakers like the Government Leader in the Senate, like Senator Connolly (Ottawa-West), the Leader of the Opposition and my honourable friend and colleague Senator Goldenberg, when all these very erudite senators have, so to speak, dealt with all the important points, what can a poor amateur like myself, neither a lawyer, nor a jurist, nor an expert in the field, possibly do?

Hon. Mr. Martin: You are too modest.

Hon. Mr. Forsey: I apologize once more for the mediocrity of my remarks in this regard but that, honourable senators, is my small contribution.

Motion agreed to.

• (1550)

[*English*]

ADJOURNMENT

Hon. Mr. Martin: Honourable senators, before we adjourn, I wish Senator Macdonald, after his vigorous speech today, a happy weekend.

Hon. Mr. Macdonald: And the same to you.

The Senate adjourned until Tuesday, March 14, at 3 p.m.

THE SENATE

Tuesday, March 14, 1972

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DISTINGUISHED VISITORS IN SENATE GALLERY

PARLIAMENTARY DELEGATION FROM THE SUPREME SOVIET OF THE UNION OF SOVIET SOCIALIST REPUBLICS

The Hon. the Speaker: Honourable senators, I should like to call your attention to the presence in the gallery of prominent parliamentarians from the U.S.S.R., who are visiting our country as guests of the Senate of Canada. This delegation is composed of seven important members of the Supreme Soviet, and is headed by Mr. Nikolai Tikhonov, who is the Deputy of the Council of the Supreme Soviet and Deputy Chairman of the Council of Ministers of the U.S.S.R. I should not like to pass unnoticed the presence also of His Excellency the Ambassador for the U.S.S.R. in Canada, the Honourable Boris Miroshnichenko. Other members of this delegation are now engaged in meetings with ministerial people of the Government of Canada.

Honourable senators, I know that you would like me, on your behalf, to extend a very hearty welcome to these guests in our midst. We sincerely hope that their visit in Canada will be successful and beneficial to both countries.

Hon. Senators: Hear, hear.

Hon. Paul Martin: Honourable senators, in view of the importance of this delegation of Soviet parliamentarians, I think it is appropriate that, as Leader of the Government, I should join His Honour in extending to this delegation a warm welcome to Canada and to this house of the Canadian Parliament.

The delegation is paying a return visit for one made by Your Honour, the Leader of the Opposition, Senator Connolly (Ottawa West) and Senator Aird, over a year ago. Indeed, it is a distinguished delegation that we are privileged to recognize and honour at this time. As you have observed, Mr. Speaker, it is headed by Mr. Nikolai A. Tikhonov, Deputy of the Council of the Union of the Supreme Soviet of the Soviet Union and Deputy Chairman of the Council of Ministers of the Soviet Union.

Likewise, it is interesting to note the presence of Mr. Konstantin I. Galanshin, Deputy of the Council of Nationalities of the Supreme Soviet of the Soviet Union, who is at the same time minister of the pulp and paper industry of the Soviet Union. We welcome also the presence of Mrs. Nina Antonova, representative of the Moldavian Republic of the Soviet Union, who is a distinguished physician.

We welcome Mr. Alexander B. Chakovsky, member of the Foreign Relations Commission of the Council of Nationalities; Mr. Nikolai F. Tatarchouk, member of the Council of Nationalities Commission on construction and construction materials industry; Mr. Ivan R. Sidorovitch, member of the Council of Union Commission on transportation and communication; and Mr. Michael A. Stelmakh, member of the Foreign Relations Commission of the Council of the Soviet Union; together with officials. Today, the delegation is accompanied by His Excellency Boris P. Miroshnichenko, Ambassador of the Soviet Union to Canada.

• (1510)

We recall other important visits of distinguished personalities in the government of the Soviet Union. Mr. Polyansky, a deputy premier, came four years ago. We still recall with satisfaction the important visit of the Chairman of the Council of Ministers of the Soviet Union, Mr. Kosygin, who visited Canada last November.

Canada has had parliamentary exchanges with her southern neighbours. Delegations have come from Commonwealth countries and from France. We regard these visits, including the present one, as part of the process of trying to build a more peaceful world.

I am sure that when the members of this Soviet delegation see the expanse of our country throughout Canada, this, together with the discussions that will ensue, will give them further evidence of our own great desire for peace with all our neighbours. They will realize why we are anxious to further our relations with the peoples of all countries.

We recognize the powerful place that the Soviet Union, the United States and other countries play in the family of nations. It is our desire to join these countries, more powerful than we, in furthering the interests of international collaboration.

This particular visit is a further manifestation of the desire of both our countries to find a way of resolving our differences through adjudication, discussion and conciliation. This is a happy visit for us and we hope it will be a happy visit for our distinguished visitors.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I wish to join the Speaker of the Senate and the government leader in heartily welcoming our most distinguished visitors, who are returning the visit a group of us paid them in the Union of Soviet Socialist Republics in 1970, a delegation of which it was my privilege to be a member together with the Speaker, Senator Connolly (Ottawa West) and Senator Aird. I hope Canada, and the Senate particularly, will have the opportunity during the coming days to reciprocate the cordial hospitality extended to us on that occasion. The Soviet Parliament, the Supreme Soviet, was not sitting at the time, so that we were not able to observe legislative and other practice in that great country. Our guests will, for a few minutes, have an opportunity to see the proceedings of the Senate.

[*English*]

As opposition leader, I see the purpose of the Senate under this administration as mainly one of reviewing legislation and passing it. The Leader of the Senate on the

government side, when he wants the opinion of his followers on any matter, gives it to them.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Flynn: The Leader of the Official Opposition, on the other hand, does not dare turn round to see who is following him.

Hon. Mr. Argue: Or how many are following him.

Hon. Mr. Flynn: In our spare time when we are not watching government legislation go through, we sit in committees and solve the great problems, economic and social, which this country faces now or which it is soon to face. Our committees publish reports and these reports are printed and distributed to the government and to the press. Some ministers thank us and tell us that we are brilliant; the press tells us that we are out of touch, that our interests conflict, and that we should either reform or they will abolish us. The truth of the matter is that we are not half as bad as they think we are, and we are not half as good as we think we are.

I would not want to leave our guests with the impression that we are reactionaries and that we are intrinsically opposed to change. We have evolved over the years. There used to be only one dissenter on the government side, now there are two and sometimes even three. In fact, sometimes there are even more who suggest that they are not in favour of the government. There used to be only one deputy leader on the government side but now, generally speaking, senators have a choice. Senators also have a choice in another way; they can oppose the government and have the majority accuse them of being unenlightened or reactionary, or they can oppose the government and have the majority consider them as ingrates.

That, honoured guests, is the Senate as some of us see it on cloudy days. But there are brighter days, and today is one of those because we are afforded the opportunity of welcoming you and wishing you a happy stay in Canada.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of the Annual Handbook of present conditions and recent progress entitled *Canada 1972.*

Report of the Anti-dumping Tribunal for the year ended December 31, 1971, pursuant to section 32 of the Anti-dumping Act, chapter A-15, R.S.C., 1970, as amended by chapter 3, Statutes of Canada, 1970-72.

Report on the administration of the Canada Student Loans Act for the loan year ended June 30, 1971, pursuant to section 18 of the said Act, chapter S-17, R.S.C., 1970.

Capital Budgets of Eldorado Nuclear Limited and Eldorado Aviation Limited for the year ending December 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with a copy of Order in Council P.C. 1972-331, dated February 24, 1972, approving same. (English text).

Report on the operation of the Regional Development Incentives Act and on "Special Areas" incentives for the month of February 1972, pursuant to section 16 of the said Act, chapter R-3, R.S.C., 1970.

OFFICIAL REPORTS

TRANSLATION SERVICES—QUESTION OF PRIVILEGE

Hon. Eugene A. Forsey: Honourable senators, I rise on a question of privilege because I think this is the appropriate moment to do so. I should like to ask whether something can be done to improve the English translation of speeches delivered in this house in French. I have occasionally had the hardihood to address the house in what I hoped was French, but on each occasion the English translation of what I said has varied from poor to atrocious.

The other day I made some remarks here exclusively in French—I do not think I used a single word of English—and the English translation was exceedingly bad, and it has almost decided me to make no further speeches in French at all. I say this, honourable senators, because I fear that if I do so I run the risk of appearing to the English readers of our *Debates* as a brimstone idiot, and I certainly do not want to do that. I may be foolish, but I do not want to appear any more foolish than I have to be.

Of course, this has its comic side, and I am aware that part of the cause may be the deficiencies in my French, although I have found the French report of what I said to be very accurate. There may have been one or two occasions when I spoke indistinctly and the word did not get through, but in general the report was extremely accurate. But, as I say, the translation is far from accurate and has obviously been done by somebody who is very ill-versed in the idiom of the English language.

• (1520)

I am the more struck by these deficiencies because on the more numerous occasions when I have addressed this house in English, the French translation has been absolutely superb. In some cases, it is far better than the original English. It rubs off all the rough spots and makes them smooth, and it rounds off all the corners and I ask myself, "Is it possible that I made a speech which was so well expressed?" Our French translators are superb. They not only give the sense of what I have said but they put it in better language than I did when I made the speech.

However, the English translations are really deplorable. I am not speaking of one single incident. But I corrected three or four pages this afternoon and I must have made 100 corrections.

I wonder whether something could be done to improve the English translations of French speeches. I do not know whether other senators suffer from this problem. It may be that I am unlucky. However, I am concerned about the situation, particularly because a certain committee to which I belong drafted a report, one-third of which was in French, and exactly the same thing happened. The French translation of the English was generally very good, but the English translation of the French was exceedingly poor.

I cannot help but wonder how the translators are chosen. I wonder if the translators for French into English are chosen with sufficient care. I would urge whoever is responsible to look into this matter and endeavour to

improve the situation. I do not believe it is satisfactory at all. I am ardently in favour of bilingualism, but I mean bilingualism. I would like to see the English translations into French done as well as the French translations into English. I insist that we have a right to have the English translations into French given the same care in this chamber.

Hon. Mr. Flynn: Honourable senators, I support Senator Forsey's point of privilege. Some years ago I rose on the same point of privilege in the House of Commons, but it was for the opposite reason. A member had presented an awful speech in French and the translator had succeeded in making it into a very good speech in English.

The Hon. the Speaker: Honourable senators, I shall see that this matter is looked into. I would indicate to the honourable Senator Forsey that this is a very serious point of privilege, and I thank him for bringing it to our attention. I would encourage other senators to do likewise if and when they feel that their speeches have been inadequately translated. This is the only way we can deal with the matter. I will see to it that the officers concerned look into this complaint, and I may report back to the chamber at a later time. Surely we are entitled to the best possible translation services in both English and French. I thank Senator Forsey for having brought this matter to our attention.

Hon. Mr. Forsey: Thank you, Mr. Speaker. I should have added that I am aware of the difficulties which the translators face and the extraordinarily complicated tasks they have, as well as the degree of expertise which they must have. I am sorry that I had to raise this complaint.

The Hon. the Speaker: The only way this service will be improved is by bringing such matters to our attention from time to time.

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE ADJOURNED

Hon. David A. Croll rose, pursuant to notice:

> That he will call the attention of the Senate to the Report of the Special Senate Committee on Poverty in Canada, tabled in the Senate on Wednesday, 10th November, 1971.

He said: Honourable senators, I have in my hand the second printing of the report of the Special Senate Committee on Poverty in Canada, which became available today. It has been out of print for two months. Up to this time it had been available only through Information Canada and a few bookstores in Ottawa. It had not been made available in bookstores in other parts of the country. We hope that Information Canada will now ensure that it is made available to bookstores. If it is, you can rest assured that there will be a third printing.

I shall limit myself to just a few words today, my intention being to make a further statement and explain my method of launching this particular inquiry. It was, as the Leader of the Opposition said at the time, to provide an occasion in the usual way for a number of honourable senators who did not have an opportunity at the last session, because of prorogation, to express their views on the report of the Special Senate Committee on Poverty in Canada. In other words, the purpose was to revive in this session a debate which was interrupted during the last session. In my view it is of national importance that this debate, or the dialogue on the substance of the recommendations, be kept alive, particularly when I am told, and I do believe, that this will be an election year.

I invite all honourable senators who have not yet spoken on the Poverty report to take advantage of the inquiry to express their views on the record of the Senate. As Arthur Blakely, the well-known columnist of the Montreal *Gazette*, wrote in the issue of November 25, 1971:

> Distinguished lawyers, financiers and businessmen, the Senate has in abundance. For perhaps the first time in its history, the Senate has the personnel to staff almost any committee it sets in motion with impressive credentials. Senate committee findings can no longer be ignored.

I wish to bring you up to date on some matters and to indicate to you the favourable trends as I see them. First, with your permission, I should like to place on *Hansard* a report of the Gallup Poll of Canada which appeared in the Toronto *Star* on Wednesday, March 1.

The Hon. the Speaker: Is it agreed?

Hon. Senators: Agreed.

GALLUP POLL OF CANADA

54 PER CENT ENDORSE $3,500 GUARANTEED INCOME

While most Canadians endorse the idea of a $3,500 minimum annual income for a family of four, implementation of the program would meet a great deal of opposition. About five in 10 think it would be good not only for the poor but for the country, but three in 10 object to it.

While it would be expected that low-income people would be more likely to approve the plan, the difference in attitude between them and those with large incomes is not very great. At all income levels, a majority of the public accepts the idea in principle.

The 54 per cent who would like to see the program introduced do so mainly because they feel there is too much poverty in Canada. "This help is needed by a lot of poor families who are trying hard," many say. Others approve because they believe it would make for more equality in standards of living and be good for the economy as well. In third place are those who hold that we are a rich country, and can afford it. "Nobody should live in poverty in Canada," sums up their attitude.

The 29 per cent who object give as their main reason an opinion that a guaranteed income would make people lazy and less interested in working. They also think that the cost would increase taxes.

The question:

"As you may know, the Senate Committee on Poverty has recommended that a guaranteed annual income be introduced as one way of eliminating poverty. This would ensure that no family of four receives less than $3,500 a year and yet would retain the incentive to work. Cost estimates suggest it might be about $8 million over what we already spend. In general, would you approve or disapprove of such a program?"

Here is the response, nationally, and by those with lower, middle, or upper incomes.

	Approve	Disapprove	Undecided
CANADA	54%	29%	17%
Lower income (Under $6,000)	58%	24%	18%
Middle income ($6,000 to $7,999)	54%	28%	18%
Upper income ($8,000 plus)	52%	33%	15%

Reasons for approval (54%):	
There is a great deal of poverty and poor people need help; there is so much unemployment	31%
It would make for more equality; help economy	25%
We're a rich country and can afford it; government is wasting money on other projects	15%
Approve if incentive to work is kept	12%
Other reasons (Families can't live on less; nobody should; would help with unemployment problem etc.)	12%
Can't say why	8%
(Some gave more than one reason)	103%
Reasons for disapproval (29%):	
People would lose all pride in working; would make them lazy	49%
Would cost too much; increase our taxes; too many handouts now	23%
The government would get too strong a hold on people; getting to be a welfare state already	8%
Other reasons (including: not enough; a family could not live on it; should increase industry, etc.)	15%
Can't say why	5%
	100%

• (1530)

Hon. Mr. Croll: Honourable senators, in my opinion the poll was a remarkable one in that it was approved by 58 per cent of those people earning less than $6,000 per year, 54 per cent of those earning between $6,000 and $7,999, and 52 per cent of those earning over $8,000. Fifty-four per cent of Canadians approved, 29 per cent disapproved, and 17 per cent were undecided, which merely indicates that we have a job to do on those 17 per cent who were undecided and on some of those who disapproved.

I suggest that for a report which was presented to the Senate only last November, the progress that has been made on this concept is comforting and augers well for the future. I am sorry that I was not present in the chamber last week to hear the speech by Senator Macdonald. He speaks with feeling and in language that people understand. He is a man who recognizes a gut issue when he sees one and appreciates all that is involved. There are others here who speak in a similar manner and they make a favourable impression across the country.

The Canadian Institute of Public Opinion conducted a Gallup Poll on Canada's welfare system, the result of which was published in the Toronto *Star* on March 11. The question asked was:

Some people are critical of our welfare system and say that it satisfies neither those who pay for it in taxes, nor those who receive payments from it. Others disagree and say that, on the whole, it is a good system. In general, how would you rate our welfare system—good, fair, or poor?

The result of the Gallup Poll indicated that 15 per cent rated the system good, 40 per cent fair, 39 per cent poor, and 6 per cent were undecided.

I ask permission to have this article incorporated in the record.

Hon. Senators: Agreed.

GALLUP POLL OF CANADA

39 PER CENT RATE CANADA'S WELFARE SYSTEM AS POOR "TOO MANY FREELOADERS," MANY CRITICS SAY

Canadians are critical of our welfare system. While four in 10 give it faint praise as being "fair," another four in 10 label it as "poor." Less than two in 10 are ready to call it "good."

A main criticism is the complaint that there is not enough screening of those who benefit from it. People who really need it, say most of those who call the welfare system poor, don't get it, while many who don't really need it are on the lists.

Close to this complaint is a belief that welfare is being abused by recipients. These people think that many on welfare could get jobs if they really wanted to, but that they are lazy. "Too many freeloaders," sums up their views. Other critics believe that the overall administration is bad, that the welfare system destroys initiative, or that the amounts received are too small for essential needs.

In general, regional points of view are close, Ontario and the West having almost identical reactions. Quebec residents are more likely to describe their system as good than people in other provinces.

The question:

"Some people are critical of our welfare system and say that it satisfies neither those who pay for it in taxes, nor those who receive payments from it. Others disagree and say that, on the whole, it is a good system. In general, how would you rate our welfare system—good, fair, or poor?"

Here are national and regional opinions.

Those who said they thought the welfare system was poor, were asked their reasons.

	Good	Fair	Poor	Undecided
CANADA	15%	40%	39%	6%
Maritimes	12%	55%	33%	—
Quebec	21%	30%	43%	6%
Ontario	12%	40%	39%	9%
The West	15%	43%	36%	6%

Why welfare system is poor (39%):

Applicants not screened properly; too many who don't need assistance get it, while those who are really needy do not	37%
Just making people lazy; many on it could get work; object to paying taxes to benefit these people	34%
It destroys incentive; kills initiative, pride or dignity	13%
Administration is poor; overburdened with bureaucracy	9%
Not enough to live on; families cannot get bare essentials	8%
Other reasons	7%
(Some gave more than one reason)	108%

Hon. Mr. Croll: I should like also to place on record part of a speech made by the Prime Minister when visiting Toronto a few days ago. Speaking on unemployment, he is reported in the Toronto *Star* of March 11 as saying:

> You may say the salary is too low. It may be lower than you would like but, after all, there is a minimum wage in Canada. In federal industries, its $1.75 and in most provinces, its between $1.50 and $1.75.
>
> You say $1.50 or $1.75 isn't enough. If you don't want to earn that and prefer to remain unemployed, that's your business . . . If you want us to raise the minimum wage, we can do that too but we will oblige many industries to close their doors and that won't create any more jobs for the people.

[Hon. Mr. Croll.]

The Poverty report dealt with the matter of minimum wage and met that point head on.

The Prime Minister went even further, as reported in the Toronto *Star* of March 13. The article reads:

> "Perhaps more jobs is not the first thing we want in the long run. Perhaps it's more wealth with more leisure and less jobs, less hours of work for less people."
>
> Trudeau sees a different work ethic emerging in Canada.
>
> To Barkway, who questioned him about solutions to heavy unemployment in Canada, he said: "Perhaps there is a growing percentage of people, though I'm sure it's still very small, who don't want to continue

looking to work in the traditional sense in order to fulfil themselves as human beings.

"They would like to see a society develop in which access to happiness or to self-fulfilment isn't necessarily through the labor market, but through other concepts . . . I think more and more we see our young people, because they live in an affluent society, less obsessed with money."

Most of the unemployed, Trudeau said, are people who want to work. "But our statistical definition of unemployment does include a certain number who don't want jobs or have actually refused jobs," he said.

What he is talking about, of course, is the working poor; those people who take jobs, as he indicates, at minimum wage levels, working full time, time and a half, and what not, but who cannot earn enough to get by on, though actually they could get more on welfare. There are thousands of people who just will not go on welfare, and they continue to work under those trying conditions.

What troubles me is that the message we attempted to get across in our report has not gotten across. As soon as a guaranteed income is mentioned, you hear "Oh, free ride; pie in the sky; everybody gets something for nothing, and away we go." If you take a few minutes to read the report you would know that the guaranteed annual income is subject to work incentives, earning incentives, and tax incentives; it is not just a handout. I was pleased to see that at least one minister in the government is catching on. The Minister of National Health and Welfare, speaking in Windsor at the School of Social Work on Thursday, March 9, had this to say:

The guaranteed income approach has an important role when combined with other approaches and provides the most direct way of alleviating poverty without loss of dignity and self-respect.

Now listen carefully:

And it is the one instrument that is available to provide additional income to the working poor who are in poverty.

That is what we are trying to say in our report, but we just have not been able to get it across to the people. We will just have to continue dialoguing until we do get it across.

I should tell you something about the acceptance of the report. You could perhaps title this, "A Few Days in the Life of a Chairman of a Committee." And this goes on all the time; it is quite normal. On Monday I found on my desk a resolution from the Lutheran Social Planning Council, New Germany, Nova Scotia, in which it was stated that on March 4 a meeting of concerned Lutherans called by the Lutheran Social Planning Council, Atlantic provinces, voted unanimously to support the concept of a guaranteed annual income for Canada.

• (1540)

He said:

We support the recommendation . . . with one exception. We feel strongly that the guaranteed level of income should be no less than the "poverty lines" established by the committee, rather than the 70 per cent support recommended by the Senate committee.

He does not know how much we agree with him and wish we could have recommended the full poverty line at this time. We thought that at the moment it would be best to take a half step in the right direction, rather than a full step and frighten everybody into thinking that the costs would be astronomical. He indicates that the clergy have been discussing it among themselves.

Another important document that arrived on Monday was a speech made by the Reverend C. H. Forsyth, of St. Andrew's Church in Sudbury. He spoke at St. George's United Church in Toronto. It is an unusually good speech, and well documented. It is a thoughful and hard-hitting speech, as well as a truly telling one. The man has a world of experience and knows what he is talking about.

A lady wrote in and said she had read in a newspaper that I had said one per cent of the people of welfare were doing a little cheating. She thought that was character assassination, and an unenlightened view expressed by the chairman. It is a point of view, and it has to be taken into consideration.

I think every member of the Senate will have received a document, a copy of which has just reached me, from the Canadian Embassy, Office of Information, in Washington. The four centre pages deal with poverty in Canada. It is a report on the committees report by Tom Kelly, an American writer who spent five years as Regional Director of Inspections and Director of National Affairs for VISTA in Washington, D.C. They thought enough of the report to give it that kind of coverage.

We find that *Canadian Welfare,* in its January-February issue, discussed the report.

My purpose in indicating all this and bringing it to your attention is to show that there is an interest. Last week two churches asked me to participate in Sunday evening services. I could not go because I had committed myself to another engagement. They were both discussing poverty. Last week there was a conference on poverty in British Columbia. Almost every university has discussed the report and expressed their feelings on it. All the schools of social work have done so. It has found its way among the people, not only for discussion but, as I indicated, for acceptance. I think we ought to discuss it here as much as we possibly can. I can assure you that if we go to the country this year there will not be a platform in Canada—

Hon. Mr. Flynn: Who is "we"?

Hon. Mr. Croll: I mean the government. I do not go to the country. You know that. The city is good enough for me.

Hon. Mr. Flynn: It sounded funny on this side.

Hon. Mr. Croll: If the government goes to the country this year the report will be discussed on every platform on which a candidate stands. The candidates will be asked for some commitment, some understanding. This report comes from the Senate of Canada. It is important that it should be fully discussed here.

Hon. Mr. Choquette: Has not a spokesman for the government already intimated that your proposition is unacceptable?

Hon. Mr. Martin: No.

Hon. Mr. Croll: You have not read the Speech from the Throne. I have not a copy with me, although I should have. It is obvious that the Speech spoke about income, provision for maintenance income; it did not spell it out in this way, but there was a full paragraph on it.

Hon. Mr. Choquette: I am talking about a guaranteed annual income.

Hon. Mr. Martin: That is what he is talking about.

Hon. Mr. Croll: He was referring to maintenance income, basic income. It is the same thing. I do not care if you talk about the guaranteed—

Hon. Mr. Flynn: Is this Mr. MacEachen or Senator Paul Martin?

Hon. Mr. Martin: The Speech from the Throne.

Hon. Mr. Flynn: You are speaking of the interpretation of the Speech from the Throne by the Leader of the Government. I was wondering if it was the leader in the other place who was speaking.

Hon. Mr. Croll: It is quite clear. It is in clear terms. There is no question of interpretation about it at all. In any event, whether it be clear or not, the people of this country will have an opportunity to make it clear at whatever time the election is called. That is the point I am making.

What I intended to say today was that the submerged fourth of the people of Canada who, working or not, are living in poverty are entitled to have their day, and I am sure they will. All I wanted to do today was to put some matters on the record for your consideration, and to bring you up to date. I will find the reference in the Speech from the Throne in a few minutes, but I ask your indulgence to permit Senator Lefrançois to carry on the debate at this time, and then others will follow him.

• (1550)

[*Translation*]

Hon. J. E. Lefrançois: Honourable senators, before expressing some personal views on poverty in Canada, may I pay tribute to all my colleagues who, like myself, were members of the Special Senate Committee on Poverty.

I would also like to take this opportunity to pay a very special tribute to the chairman of the committee, Senator David Croll, who, from the very first meeting of the committee up to the presentation of its report in this Chamber, did not spare himself and worked with the energy and the efficiency for which he is well known to all of us here.

The Senate of Canada should take special pride in the study made by its Special Committee on Poverty. In fact, it was the first time that an inquiry commission made a global and in-depth study of the social phenomenon that is poverty in Canada. Many useful studies were made in the past, but they individually covered only one aspect of the problem. There were investigations and reports on housing, employment, education, old age security, and what have you.

For the first time, and I am proud to repeat it, the social ulcer that is poverty was the object of a global study and at all levels, from coast to coast, from the Far North to the large urban centres of this country. The committee heard witnesses from a large number of public and private welfare organizations, both religious and secular. The poor themselves were heard by the committee. They told us, in their own words, about the pitiful situation in which they live and from which they have no hope of extricating themselves. In addition, the members of the committee, by moving from east to west and north to south, were able to see for themselves, with their own eyes, how true the testimonies received were, especially by visiting, on many an occasion, the poor in their own homes, in their normal habitat. I can tell you that there was nothing very cheerful about what we saw.

When he tabled his report, the chairman of the committee, Senator Croll, alluded to all of his colleagues who harboured preconceived ideas on poverty but who, due to the impact of the testimony received, had to change their views on poverty and the poor themselves. Like everyone else, I have often heard it said that some people are poor because they want to be, usually because they are lazy, ignorant and without ambition; in short, because they are parasites of society who contribute nothing to its well-being. As the committee study progressed, as evidence was received, it became obvious to me that a minimal fraction of the poor are, for all practical purposes, hopeless cases, but that the vast majority are willing to help themselves and want nothing more than to go ahead and progress, provided, however, they receive an initial helping hand and the means required to improve their lot on a permanent basis.

Prevailing myths about poverty and prejudice against the poor disappeared one by one, slowly but surely. Like several of my colleagues, I had to revise my opinions and sometimes drastically change them. I want to say that we did not go through this transformation gladly. However, the evidence submitted threw so much light on the subject that we could no longer keep up those myths and prejudices.

On close examination, the committees recommendations are not so very revolutionary and are but the logical findings of our investigation. We had to conceive and understand poverty within the context of human dignity, human progress, human qualities and talents to be developed. We had to probe deeply into the matter to discover the roots of poverty. Our recommendations are the outcome of our inquiry and of the witnesses we heard.

On the other hand, we observe that billions are being spent for welfare. What are the results? In this regard, the report on our study is quite clear and throws a glaring light on the subject. Full employment is a goal to be reached and maintained in so far as possible; this is stated in no uncertain terms in the report. However, how did it come about that during the years of prosperity when Canada went through a period of full employment there was parallel development of the social blight of poverty? During that period, welfare benefits cost Canadian taxpayers billions and billions of dollars, without overcoming poverty; on the contrary, as a social phenomenon, poverty spread and increased throughout Canada.

What are the means to control that scourge? Where is the true solution to the problem? After three years of study, the Special Senate Committee on Poverty proposed

various measures to solve the problem, not in the immediate but in a more distant future, provided that they are vigorously and gradually carried out.

Should not our social objective be to develop the human potential of those small wage earners and the poor? The entire country would profit therefrom.

If we really want to eradicate poverty in our midst we will undoubtedly have to pay the price. It will be heavy for most of the well-off people. However, how comforting it would be to know that we invest in the development of a human potential whose achievements will exceed, I am sure, our wildest dreams. I am convinced that from a strictly financial point of view, rational investment in the underprivileged classes of society is good business. The entire country will profit from the increased productive activities of a group of people who at the present time do not contribute, or else very little, to their own well-being.

From my point of view, I think that we are spending too much for social welfare, considering the results obtained among the poor and the benefits enjoyed by the community. Our chairman had some harsh words to say about the present system. After all that we have seen and heard for three years, I am not prepared to say that he is wrong. The committee recommendations make up a set of measures which come to grips not with the symptoms only, but with the very root of poverty.

We are not trying to say we have found a miracle answer. We are not trying to say either that the overall solution which we are suggesting is the only possible answer to the problem of poverty. But what we are saying and maintaining is that our recommendations make up a rational set of measures for an overall solution to the problem. If somebody else wants to submit another set of measures to solve this problem, we are prepared to discuss it, provided it is really a set of coherent measures which provide an overall solution. Anyway, it was clearly evident to us that the present system, costly as it is, has not reached the objective of an all-out war on poverty in Canada.

What we need, in my opinion, is to spend less but to invest more on the deprived classes of society in order to restore in those people hope and the ambition to succeed—in other words, to develop the human potential of some five million Canadians.

It was not our thought that all the committee recommendations without exception should immediately be passed by Parliament and come into force within a few weeks. This would be wishful thinking. However, we must have right now a detailed and in-depth study of the proposed plan. It could then be implemented gradually, with caution but also with firmness. No doubt we will have to make some changes in details as we go along. Honourable senators, this progressive policy will eventually lead us to the just society that we all want.

• (1600)

[*English*]

Hon. Mr. Croll: Honourable senators, if I am permitted I should now like to give you the passage from the Speech from the Throne to which I made reference earlier. It is as follows:

> It is the view of the Government that the most important single factor in the attainment of individual dignity and active social involvement is the assurance of a secure income. Considerable progress towards the goal of a total income security program for all Canadians is achieved in the new Family Income Security Plan bill which will be presented for your consideration. The emphasis in this plan is on protection and is consistent with the Government's belief in the strong sense of self-reliance of Canadians.

Hon. Mr. Macdonald: I notice in that passage the words, "assurance of a secure income". Did not the report of the Special Committee of the Senate on Poverty ask for the assurance of an "adequate" secure income?

Hon. Mr. Croll: Your point is well taken.

On motion of Hon. Mrs. Fergusson, debate adjourned.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FOURTEENTH MEETING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 8, the adjourned debate on the inquiry of Hon. Mr. Deschatelets calling the attention of the Senate to the Fourteenth Meeting of the Canada-United States Interparliamentary Group, held at Ottawa and Montebello, 16th to 20th February, 1972.

Hon. Salter A. Hayden: Honourable senators, I propose to say a few words in connection with the meeting which took place in Ottawa in February with our United States counterparts, members of the Senate and House of Representatives. His Honour the Speaker did, in fact, put an inquiry on the Order Paper with respect to this, and he has already spoken on it. In his speech he gave the backgrounds of the personalities involved and the subjects discussed by the gathering. Therefore, I propose to come right down to the meat of the meeting —and that is not intended to be a play on words.

A committee or a group—call it what you will—of which I was a member, was set up to deal with trade and economic matters. On that committee were representatives from the Canadian Senate and House of Commons and the United States Senate and House of Representatives. The Speaker of the Canadian Senate was kind enough to invite me to lead the discussion on the first topic, under the designation "Trade and Economic Matters," of which the first heading was "World Trade in the Seventies: Exports, Subsidies, Non-Tariff Barriers and Regionalization." Obviously, that topic is pretty broad in its scope, but I had had the advantage before we assembled of seeing the agenda, and I had concluded that the most interesting subject we could discuss under that heading, the one which would be of greatest interest to our visitors and of greatest value educationally, was the auto pact. Thus, while I said a few words on the question of world trade, I dealt at much greater length on the subject of the auto pact.

In speaking on world trade, I pointed out that the concept of world trade has evolved considerably from the days when it was a matter of the battle of tariffs. Now world trade, or the exchange of trade, has moved into

other areas such as special tax treatment, the DISC plan of deferral of tax in the United States, subsidies, countervailing duties, voluntary restraint agreements, and so on. Tariffs in the sense in which we used to know them are not leaned on in the same way to produce and develop, or assist in developing, international trade today. As we know, of course, the exchange of trade is necessary. It is the life blood of the settled nations, if I may refer to the established nations that way; it is also the life blood of the developing countries.

Although the auto pact came into being some years ago, nevertheless I see some senators here today who spoke on it when its approval was before this chamber. I spoke at that time in connection with the bill, and I recall that Senator Grosart also took part in the debate. The bill then went to a committee, so it is fair to say that it was dealt with exhaustively.

In those days some senators held the position that we were taking a fatal step in approving the auto pact, suggesting that it would prove to be very unprofitable for Canada. However, the events which have developed throw a different light on the circumstances upon which they relied to point out that the auto pact could not be successful.

Let me hasten to say that I do not propose to get into a general discussion at this time, but to limit myself to what, at the invitation of the Speaker, I presented to the group. Let me confine myself to the points I endeavoured to make at that time, and which I felt we had made with some little success.

I pointed out at that time in reference to the auto pact that an imbalance had recently developed as between Canada and the United States, but I said also that one swallow does not make a summer, and I added that in mentioning the word "swallow" I was referring to a bird.

I said, and the meeting agreed with me, that what must be looked at and balanced on the scales are the pros and cons of trade relations between our two countries. I suggested that it was not sufficient simply to note the fact that in the year 1970 there was, under the auto pact, an imbalance against the United States of approximately $195 million, of which $140 million was comprised of our export of snowmobiles. The snowmobile is, of course, a fairly recent development which had not been anticipated at the time the auto pact was originally entered into. I suggested to the group that as Canada had moved more quickly it had gained more expertise in the field of the manufacture of snowmobiles and, therefore, was able to grab the market. The Representative from Michigan, Mr. Harvey, agreed with that statement and admitted that they had a great number of Canadian-made snowmobiles in their country, but he was quick to point out that their expertise was catching up to ours. In fact, that is the feeling Canadian manufacturers have. They feel it will be a much more competitive market very soon, and I pointed that out to the meeting.

I also said that in so far as the regular auto pact agreement was concerned and the trade relating to it, the imbalance against the United States in 1970 was only $66 million, whereas for year after year there had been a substantial imbalance the other way. That is when I made my remark about one swallow not making a summer. I hastened to point out that we must look not only at the performance and the historical feature of our operations under the auto pact agreement, but also at our trade relations generally with the United States over a long period of time to see what the progress has been, and to discover where there has been any imbalance.

• (1610)

On that point, honourable senators, I should tell you that the cumulative balance of trade between Canada and the United States was about $2.6 billion, and since the auto pact was signed this cumulative balance in favour of the United States was $1.9 billion. When you look at this larger figure you realize you have to start by putting these factors into the scales because that is the only way to measure the results. Let me say at this stage that Senator Church, the co-chairman, made a statement in which he agreed with this and said that he felt that if we are to approach these problems of trade between the two countries in the proper way, and if we want to determine whether the time has come for changes, we must look at more than one instance of the result of this trade. In effect, he agreed with my statement that you should put all these factors into the scales to see whether something should be done in favour of the United States having regard to its present difficulties, or whether the counter-balancing elements are such that the situation should not be disturbed.

I should say that at a later stage Senator Church proceeded to put another element into the balance on the United States side of the scales, because somebody talked about foreign ownership and the restriction of United States investment in Canada. He volunteered the statement that if Canada were imposing restrictions on United States investments in Canada then this was a factor which should go into the scales on the United States side when you are looking at the overall picture. He did not indicate what weight he would give it, but he did say it was one of the factors.

From the immediate impact and the imbalance of only one year I then moved to the general trade relationship between Canada and the United States to show that in that regard over the years the trade has been leaning in the favour of the United States, and that the net result is that Canada has been the best customer of the United States, and the United States has been the best customer of Canada. I said that we should move ahead and examine it from that point of view, and then I went on to discuss their program which is called DISC.

DISC is an acronym made up of the initial letters of the four words, Domestic International Sales Corporations. As part of the program to try to remedy the deficits which the United States has been building up in its world trade position and in its dollar position, the United States government announced this DISC program, under which they propose a deferral of tax on those corporations in the United States manufacturing for export. There could be a deferral of tax on 50 per cent of the income or profit made as a result of their export operations. I pointed out to the United States representatives that DISC was unfavourably aimed at Canada because the United States would be competing with Canada in foreign markets, and with our multinational corporations such as Massey-Ferguson and

ALCAN, but with the benefit of this tax deferral program and so would be disturbing our ability to be competitive in those markets. I told them that the moment they started competing on that basis they were affecting the areas of greatest employment in Canada, and if the numbers employed in Canada were to decrease then our purchasing power would be reduced, and in those circumstances we would be forced into a position where we could buy less from the United States.

So I said to them, "Let us assume that we buy less from you because you have given a tax deferral to your export manufacturing industries in the States, and this in turn has affected the employment position in Canada. If you reduce our purchasing power it may well be that the things we do not buy from you because of that reduced purchasing power will be things manufactured by your domestic companies in the United States. So while you may be creating new jobs for your exporting companies through the benefits of the DISC program, you will be losing employment in your domestic operations." In addition I said, "If you apply the DISC program and at the same time there is some change in the auto pact, and if this in turn leads to the export of American cars to Canada on a basis not contemplated by the auto pact, then your exporting companies would be entitled to this deferral of tax. In those circumstances we have certain laws in Canada which might apply. I might add, we did not devise them in anticipation of what you were going to do at this time. We devised them some years ago for other purposes, and to deal with other countries. We have our anti-dumping law, for example, which covers the situation where there is a subsidy—and a deferral of tax certainly would be a subsidy. We can invoke these anti-dumping provisions if we can show that local or domestic industries have been hurt. We can invoke countervailing duties under Canadian law if we can show that domestic industry has been hurt in Canada."

I told them also that we have a provision in our law under which we can go before the Anti-dumping Tribunal—this was an amendment passed about two years ago—and if we can establish that products are coming into Canada, without any question of whether they are being dumped or not or any question of their price on the home market, that are likely to hurt domestic industry, then the Governor in Council can act and apply enough in the way of added charge to level the price of the imported article to that of the same article produced in Canada. So I made it quite clear that we are not without means to deal with such situations. But the DISC program is something that can be used. It could be embarrassing in certain circumstances, subject to establishing what is required by our law, and a Canadian industry could be hurt by this action. Let us place this on our side of the scales.

• (1620)

Then I indicated that in the United States there are countervailing duties, and they have had them for perhaps 100 years. In the United States they do not have to establish hurt, injury, or damage to the domestic industry. All they have to establish is whether there was a bounty or grant paid, either directly or indirectly, by some government of some government agency in relation to the production of those goods. Once this matter has been established, the United States Treasury is in a position to impose a surcharge or a countervailing duty equal to the amount of subsidy which has been enjoyed.

There is the recent incident, in respect of which proceedings are in motion, of the Michelin Tire Company which constructed a substantial plant in the Maritime provinces, and which was proposing to export some of its products to the United States. This matter is under investigation in the United States to ascertain whether a bounty or a grant had been paid either directly or indirectly by the government to assist in the construction of that plant to facilitate production.

You can see how difficult this matter has become, since hurt or injury is not in question. The percentage or volume of threatened export does not matter. The area to which goods are to be exported might not be within the area of the domestic operation, but this does not matter. The only consideration is whether a bounty or a grant has been paid either directly or indirectly by a government or a government agency and, if this is the case, countervailing duties may apply. You can see what kind of weapon this is.

I indicated that Canada and certain other countries adhere to the doctrine of GATT, and the code required that our anti-dumping legislation be changed. I think this was around 1969. All you had to do to establish dumping was to ascertain that goods were coming into Canada below the normal price of those goods on the home market when, in actual fact, they were being produced in certain quantity in Canada. However, in the draft statute included in the GATT agreement there was an additional provision whereby we had to establish not only dumping at a lower price, but also that the domestic industry had been hurt.

The United States has not conformed to this practice. The net result is that hurt, damage, or injury is not a test. I indicated that we would need to discuss this matter, and the scales would need to be balanced in favour of Canada. This is the manner in which this discussion was developed.

We had some discussion regarding the auto pact. One senator indicated that the United States was in a difficult position, and was required to move in a direction which would result in some benefit regardless of whether, in actual fact, it would amount to a benefit.

One of the matters discussed, and which was being publicly debated, was that Canada imposes a 15 per cent tariff on individuals importing automobiles from the United States. Under the auto pact Canada extends free entry to an importer who is a vehicle manufacturer in Canada. However, an individual seeking to import a car from the United States is subject to a 15 per cent tariff. I indicated that we needed to look into this situation. If an automobile is imported from the United States it is subject to a 15 per cent tariff. When the automobile arrives in Canada it is subject to a 12 per cent federal sales tax, and if it comes to Ontario there is an additional 5 per cent provincial sales tax, or if it comes to Quebec there is an 8 per cent provincial sales tax. Whether this is a profitable operation is open to serious question.

I have figures which illustrate the total amount of importations. The total value of cars imported by individuals from the United States in 1967 was $14 million; in 1968 it was $9 million; in 1969 it was over $8 million; in 1970 it was nearly $10 million; and in 1971 it was $10,500,000. It can be seen that in terms of dollars we are not discussing a substantial matter. I suggested that we needed to consider the potential which might develop if this duty were removed. On an automobile with its original equipment imported from the United States by an individual, the parts would come in duty free if the 15 per cent tariff were waived. However, under the auto pact replacement parts are subject to duty, and if the car has been imported from the United States chances are that the parts that have to be replaced have to come from the United States as well. Therefore, you have the added cost of importation and handling. This matter regarding the value of benefits derived from the auto pact should be seriously considered.

• (1630)

Earlier I referred to the great benefits resulting from the auto pact, whereupon Mr. Harvey, the Representative from Michigan, interjected. He stated that the auto pact agreement was the greatest thing that ever happened to our two countries.

Hon. Mr. Martin: Hear, hear!

Hon. Mr. Hayden: I am paraphrasing his language. He said we had been approaching a price war and the pact corrected the situation. Both countries have benefited substantially from this trade agreement, and certainly Canada has.

Hon. Mr. Martin: So has the United States.

Hon. Mr. Hayden: For instance, in 1964 we exported to the United States approximately $96 million worth of automobiles and parts, and imported from the United States in that year $698 million worth of such products. That was at the beginning, but in 1971 the overall volume of trade between Canada and the United States in this area was over $6 billion. Canadian production which goes into export and the United States production which is imported into Canada divide reasonably equal at this time.

I do not wish to weary you with figures, but it is very interesting to note that in 1964, for instance, as I told you, we exported $96 million worth of automobiles and parts to the United States. The figure increased to $231 million in 1965, $1,627 million in 1967, $3,464 million in 1969, and $3,363 million in 1970. A comparison with the United States figures illustrates that it was only in 1970 that we arrived at a stage at which the balance was against the United States. This was of the order, excluding snowmobiles, of approximately $66 million.

These figures illustrate that from points of view in both Canada and the United States this agreement has been of very great benefit. I do not think that in either country there was any danger or thought of the termination of this agreement. It has been too beneficial. The industry in the United States and in Canada has become too firmly entrenched in its positions and reciprocal arrangements under which its manufacturing operations are carried out. In addition to this, most of the automobile industry in Canada is owned in the United States. Anything that might decrease the profitability of the Canadian operations, of course, will reflect itself immediately in the income remitted to the United States. Therefore I indicated that, all in all, I was not concerned and agreed with Mr. Harvey, and that I, at least, could not imagine any reasonable or sane person thinking in terms of abrogating or cancelling the auto pact agreement.

I was supposed to be provocative and lead the discussion. Although there were other elements to this which in the interest of time were not discussed, I think I was provocative in making reference to the United States DISC program and the 10 per cent surcharge. I pointed out that it was not likely in balance to achieve the expected results. It could in some way and to some extent adversely affect Canada. In doing this it would have a similar effect on the United States because, I stated, the situation is such in our intertrading relations that if Canada is hurt so is the United States. I indicated that this business of trade relations and exchange of trade is similar to the old story of the balloon. When a thumb is pushed into the balloon causing a depression in one place a bulge is bound to appear elsewhere. I pointed out that a piecemeal endeavour to meet the drastic problems involved in curbing their deficit in trade and their dollar situation must be carried on with due regard to the overall relationships in trade between Canada and the United States, and the great benefits which have accrued to both countries.

Since that time there have been newspaper articles, one appearing in the *Globe and Mail* this morning, which discuss further negotiations or revisions. Since that was not included in our discussion that day I hesitate now to make any comment. It would be a very interesting subject for comment and consideration. With respect to the areas of production ratios and the value added, which are supposed to constitute safeguarding provisions in the auto pact agreement in favour of Canada, my own view is that the industries in both countries have become so solidly entrenched, and have moved so far ahead of the situation envisaged at the time of the inclusion of the safeguards in the agreement, that I cannot see how their removal would in any way materially and adversely affect Canada. I am also very doubtful as to the impact of such removal and the 15 per cent tariff vis-à-vis the United States.

The tariff would have to remain, of course, in our dealings with other countries. The United Kingdom is about to enter the Common Market. Its cars are allowed into Canada duty-free, and I would expect that the moment it joins the community the cars it exports to this country will be subject to the 15 per cent tariff. This must be so because the 15 per cent tariff is imposed by Canada on individuals importing automobiles from the United States. The request that has been made is that the tariff be removed, not generally but only in that interrelationship between the United States and Canada. That would mean, of course, that Canada would have to consult all other members of GATT to devise an agreed means to satisfy the request.

I must say that one could not attend meetings of the group discussing these matters without being greatly impressed by the character, ability, knowledge, and

friendliness in approach and analysis of those who represented the United States.

Hon. Mr. Gratton O'Leary: It seems to be my fate and your good fortune that whenever the work of the Canada-United States Interparliamentary Group has been debated over the years, my task has been to speak a footnote to the speeches of delegates more knowledgeable and able than I.

I have now attended eight of the groups meetings and I can say without reservation that the last one was, to my mind, the very best.

Before I go further, I must congratulate the Leader of the Government in the Senate for his selection of delegates to attend the conference. They included Senator Macnaughton, who is very well known to American senators and congressmen; Senator Hayden, who, in the last few minutes, has shown what a valuable contribution he made to that gathering; Senator Everett, who has already made his mark in this chamber; and last but not least, Senator John Connolly, as a utility outfielder.

Modesty prevents me from mentioning those delegates from this side of the house. However, I think that we too made some contribution toward the success of the conference.

There is a great deal of misconception among Canadians associated with the news media—which is the term now used for newspapers—and others about the character, function and purpose of this interparliamentary group. The view is held by many that our delegates go to Washington, or that delegates from Washington come here, for the purpose of having a confrontation. Honourable senators, there is no confrontation about these meetings. We meet for discussion, for friendly and frank debate, and there is wide hospitality for ideas. I myself, when speaking on a particular subject, have often disagreed with my colleagues. This is true also of delegates from the United States. They do not always agree with their colleagues on a particular matter. However, there is agreement that issues should be discussed with frankness and candor.

Yielding reluctantly to the conquering years, I may soon have to terminate my membership in this organization. In doing so I would offer this advice to those who follow: Do not attend these conferences in a spirit of partisanship. Our philosophy may be that of a Liberal, a Conservative, or a member of any other party, but we must not go to Washington with a partisan outlook, and delegates from Washington do not come here with a partisan outlook.

Attending the conference were men such as Senator George Aiken, who is so pro-Canadian that he himself says that he expects one day to be hailed before the U.S. Committee on Un-American Activities.

I happened to be in Washington three days after the announcement concerning the 10 per cent surcharge on goods imported into the United States, and took the opportunity of visiting some of the friends I had made over the years as a member of this organization. I called on Senator Aiken, who is the ranking Republican in the United States Senate. I called on Senator Church, who is not a rising star but a star who has risen in the United States Senate. I called on Senator Mike Mansfield, the internationally-renowned leader of the Democratic Party in the United States Senate. I called on Congressman Cornelius Gallagher, who has been a co-chairman of the interparliamentary group almost since its inception.

I was able to speak frankly to those people as a friend. I pointed out that they were asking Japan to do something which we had done two years earlier. I reminded them of a statement made by their President the evening before I reached Washington, that it was necessary to be very cautious when dealing with Japan because, as the President said, Japan was their best customer. I knew enough about foreign world trade to point out that our sales to, and purchases from, the United States were almost 100 per cent greater than Japan's; that we purchased more from the United States than did all the member countries of the European Common Market.

I found that the people with whom I spoke understood all these things and sympathized with our position, not because of anything that I said, but because of the years they had spent in visiting Canada and discussing Canadian problems with us.

It is significant that of the three ablest speeches delivered in the United States Congress on these problems one was delivered by Senator Frank Church, a co-chairman of the American branch of this organization, and another by Congressman Gallagher in the House of Representatives.

I suggest that it is most important, for continuing good relations between our two countries, that such people understand our position. It is encouraging to know that a man of the stature of Senator Sherman Cooper, a former Governor of Kentucky, a distinguished member of the United States Senate, and a former United States Ambassador to India, is knowledgeable about our problems, is willing to listen to us, and is articulate in explaining problems affecting the United States.

I read in the press almost every day that joint Canadian-American discussions on trade have broken down. Honourable senators, those discussions have not broken down. There is no deadlock; there is no break in our relations or our negotiations. The two countries have merely taken time out to consider the propositions which have been made, and negotiations will continue.

We are told by some academics that our special relationship with the United States is at an end. I disagree with that viewpoint. Our relationship is not at an end. We have today, and shall always have, a special relationship with the United States dictated by geography. Whether we think it bad or good, an advantage or disadvantage, history and geography link us with the United States. It is a mandate from which we cannot escape. Our voyage through history will be in company with the United States. Of course we will have disagreements and quarrels, but that is the glory. That is the glory of free men; that is the glory of the Senate.

• (1650)

I for one, in my humble way, have told the Americans that we are prepared to co-operate with them as far as we can, but not beyond our resolve to call one part of North America our very own, and that question, honourable senators, has always been received with acclaim by our American colleagues.

I do not know of anything in the world more important, even as an object lesson to the rest of the world, than that we try to get on with our great North American neighbours. Of course we may find them difficult. I am sure they find us a bit difficult too. But in our hearts we know—and I wish I had said this earlier today when we had certain distinguished visitors in the gallery—that if bombs ever fall on the Dominion of Canada they will not be dropped by Americans. This is something for us to constantly keep in mind.

I recall one of the first meetings of these organizations. It was just at the opening of the St. Lawrence Seaway, and Her Majesty the Queen, the Queen of Canada, helped to unveil a stone commemorating that event. On that stone there is this inscription: "This stone commemorates and testifies to the common effort of two peoples whose frontiers are the frontiers of freedom and whose ways are the ways of peace." God grant that Canadians and Americans keep in their hearts and in their minds those words and their meaning.

I realize the easy criticisms that are made every day about the United States. I hear snickering remarks about the young Americans who have stolen across our border in the last two years because of the Vietnam question. Do we remember the young Americans who came over our border during World War I and who fought and died in our armies? Next time you go to Washington, go out to Arlington Cemetery and you will find there a cross on which you will see these words: "Erected by a grateful Canadian Government to the young Americans who crossed our border and fought and died with our Canadian forces." Among the men who came to us at that time was Robert Emmett Sherwood, a direct descendant of the illustrious Irish patriot of that name and the biographer of Franklin Roosevelt.

Those are the things we should remember. We seem to have a genius and talent for remembering our difficulties with the United States. We talk about the Battle of Lundy's Lane, and so on and so forth, but we forget the co-operation that has existed between our two countries for over 100 years. Of course there was the War of 1812, and those who started it were so ashamed of it in the end that when they came to write the Peace Treaty they did not even state what the war was about in the first place. Then there was the Civil War—the War of the States—and on that occasion we sprang to the aid of both sides; we gave men to the North and money to the South, and when it was all over we exulted with the North, shed a tear with the South, and have extolled Mr. Lincoln ever since.

Those are things for our memory with our great North American neighbour. Sometimes they make trouble for us and sometimes we make trouble for them, and as free people we will continue to do so. When we look at the world with all its cloud and pain, when we see what is happening on the Continent or what is happening in the land of my ancestors, we should appreciate what we have. I would remind my Russian friends, if they were still here, of the number of Irishmen who went and fought for the Russian army, and who are still there. A friend of mine, Frank McCullagh, spent Christmas in Moscow and stayed with an Irish family who remained there. The daughters of that family played and sang for him the melodies of Tom Moore.

The Americans are our friends and our neighbours, and, as I said before, our voyage through history is going to be with, and as, North Americans. The faith, hopes, dreams, and aspirations of Americans are the faith, hopes, dreams, and aspirations of Canadians, and God grant it will remain so to the end.

Hon. Mr. Croll: Honourable senators, I really did not wish to participate in the debate, but I cannot resist saying something that has been on my mind for some time.

I do not think that history will record O'Leary as O'Leary the modest. He is out making speeches and an impression, but the one man, in my mind, who stood out when the surcharge was imposed by the Americans was Senator O'Leary. He did not act as ordinary politicians do; he did not make great speeches out of it, but he did something that was effective. He went to Washington and saw his friends—and he has friends in Washington. He named them here today—Church, Aiken, Mansfield, and others. Senator O'Leary has been going there for many years and has made quite an impression, and when the time came that he needed those friends they were there. He went and saw them for a period of time at his own expense, and then came back and indicated to the government the feelings of those people.

I think that is a most unusual thing to do. When the chips were down he was there acting as a great Canadian in the interests of Canada. I could not resist the temptation to say that.

Hon. Senators: Hear, hear.

On motion of Hon. Mr. Martin, for Hon. Mr. Connolly (Ottawa West), debate adjourned.

AGRICULTURE

DESIRABILITY OF ESTABLISHING STANDING SENATE COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, March 7, the adjourned debate on the motion of Hon. Mr. Argue, that in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said committee by the Senate.

Hon. Paul C. Lafond: Honourable senators, it may be somewhat difficult after the brilliant oratory to which we have been subjected to for the last hour to return to the somewhat more down to earth business of the Senate, if I may call it that.

I welcomed Senator Argue's motion that a Standing Senate Committee on Agriculture be established. In part, its adoption would resolve some misgivings that I have entertained, rightly or wrongly, not as to the functions or efficiency of our committees but as to their names and titles and the effect of those names and titles on the public image of the Senate.

One day early last May, while driving home from this building I heard the following statement on a radio news

broadcast: "Representatives of the Consumers Association of Canada appeared today before the Senate Banking Committee to plead their case on the proposed Packaging and Labelling Act."

• (1700)

The first thing that annoyed me was the reference to "the Senate Banking Committee." The media uses that expression very commonly. Of course, we cannot altogether fault the media, since quite often in this chamber honourable senators refer to it as "the Banking Committee," rather than "the Standing Senate Committee on Banking, Trade and Commerce," which is the way our rules describe it.

The second thing that struck me as being highly anomalous was the fact that a people association, a people group, was appearing before a committee whose main interest or function seems to be banking in order to discuss packaging and labelling. Similarly, why should people groups—I call them people groups because they speak on matters of concern to individuals—interested in food production and marketing have to make their case on agricultural legislation before the Senate "Banking Committee"? What image comes to the mind of the consumer-conscious housewife in Moncton, the dairy farmer in Papineauville, or the grain grower in Lisgar upon reading or hearing such news items?

Honourable senators, we had a situation last December when a piece of important and basic farm legislation was referred to the Standing Senate Committee on Banking, Trade and Commerce, and a quick reckoning indicated to me that a majority of the senators who are, or have been, engaged in food growing or food production were not at that time members of the committee. I am not by any means, willingly or unwillingly, demeaning the committee, which deservedly has the highest reputation within this building and among a few knowledgeable people outside. But since this is not widespread public knowledge, I believe it is unfair to the committee and to the Senate itself to give it responsibility for people legislation such as that concerning agriculture and consumer affairs, of which we are bound to get more and more over the years; when from its own description, it seems to have only a secondary interest in these matters.

I therefore welcome, and heartily support, Senator Argue's motion. Since there is substantial affinity between agriculture and consumer affairs, I suggest the new standing committee be so named. I shall move a formal amendment to the motion later, since I do not want to advocate unnecessary proliferation of standing committees.

I indulged in a little bit of research on the question of standing committees in the past, and I should like if I may, to refer to a few brief points. First, I find myself in full agreement with Senator Davey's concern, as expressed in this chamber on November 6, 1968. At that time, in referring to the Standing Senate Committee on Banking, Trade and Commerce, he said:

> I am one of those who agree that this has been an outstanding committee, but why should it not have been an outstanding committee when we have referred every manner of matter to it? We have referred to the Banking and Commerce Committee matters which have no remote relation to banking or to commerce. I would hope that we shall have some assurance from the chairman of the committee, or from some of its members, that these matters which I do not really think lie within the jurisdiction of a committee on banking and commerce will be referred to other committees—

Our records show that an early major reform of our standing committee structure took place in 1908. At that time the proposal was to add 11 new standing committees to the ten already in existence. When finally approved, the motion did in fact add six new standing committees, which were: agriculture and forestry, immigration and labour, commerce and trade relations of Canada, civil service administration, public health and inspection of foods, and public building and grants. We see that the first two names quoted are "agriculture and forestry," and "immigration and labour." I shall have a few words to say about labour in a moment.

The next major reform I came across was in 1945, when a special committee was appointed to review the constitution and functions of the standing committees. Senator Hayden was a member of that committee, which reported on December 5, 1945, and recommended that the number of standing committees be increased to a total of 19. Among them was a committee on natural resources, to which were to be referred agricultural matters, and a committee on immigration and labour. In the course of the debate it was stated that in view of the number of special committees, the committee on agriculture and forestry should cover fishing, mining and related industries, et cetera.

The most recent study, of course, was carried out by a special committee chaired by Senator Molson in 1968, and for the benefit of senators who have been appointed to this chamber since that date I should like to refer to it briefly.

In tabling the Third Interim Report of the Committee on October 31, 1968, Senator Molson stated that the committee dealt first with the divorce committee, and he went on to say:

> The second subject, that of our committees, reflects the intention of the special committee to revise the whole structure of these committees, to modernize them and bring them up to date so that this vital part of the functions of the Senate may be in tune with the age in which we live.

In the course of the debate on November 7, Senator Molson further stated:

> The way these committees are set out is completely new for the Senate. In the past we had a list of committees, and matters were referred to a committee as seemed suitable at the moment. In this instance we do not have a list of names of committees; we have committees to which shall be referred matters relating to certain subjects. This makes quite a difference because, for one thing, it reduces to some extent the importance of the name, in that the name does not attempt to include the nature of every subject that might be referred to that committee. It takes the emphasis off the name and places some emphasis on the general nature of the matters which should be referred to it. This is a complete change for us.

I suggest, honourable senators, this situation should now be reviewed, because it seems to me that the experience of the last four years establishes that this reform, reducing the number of standing committees to eleven and eliminating some names, was somewhat overdone. Agriculture was then the prime subject of the Standing Committee on Natural Resources, which was eliminated. There probably was some justification for that on the basis of the data supplied to the Rules Committee, which established that during four consecutive sessions, from 1963 to 1967, the Natural Resources Committee had not met at all. Yet Senator Argue told us last week that since 1966 Parliament has dealt with 19 important pieces of agricultural legislation. It seems obvious to me that a further change is required.

• (1710)

Honourable senators, I would suggest that serious thought be given to de-emphasizing the word "Banking" in the description of that committee. I have already discussed this with some of my colleagues. It seems to me that that field of endeavour is not necessarily any longer the committee's foremost preoccupation.

Furthermore, I should like to draw the attention of the Senate to the fact that a similar case could be made on the question of labour. This is a "people" question above all others. We are getting more and more legislation in that field. We have a motion before us to study labour management and disputes affecting the public service, yet we ask the Standing Senate Committee on Health, Welfare and Science to deal with it. We know, but does the man in the street know, where labour fits into the Senate's concerns?

In conclusion, may I paraphrase a sentence by Lord Shepherd, in an article which was drawn to our attention by Senator Connolly (Ottawa West) a few weeks ago:

> I think the Senate will see ways and means within itself to improve and increase its effectiveness and its image by making changes in its procedures.

Of this I may have more to say when we consider the report of the Joint Committee on the Constitution.

Honourable senators, as I suggested previously, I should like to move an amendment to Senator Argue's motion, which would insert, in three instances, words referring to consumer affairs. I therefore move:

That Senator Argue's motion be amended to read:

> That in the opinion of this house it is desirable, in the interest of both eastern and western agriculture and of consumers generally, to establish a Standing Senate Committee on Agriculture and Consumer Affairs to consider legislation and other matters of concern to agriculture and to consumers that may be referred to the said Committee by the Senate.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Argue, seconded by the honourable Senator Lafond:

> That in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said Committee by the Senate.

In amendment, it is moved by the honourable Senator Lafond, seconded by the honourable Senator McNamara:

That Senator Argue's motion be amended to read:

> That in the opinion of this house it is desirable, in the interest of both eastern and western agriculture and of consumers generally, to establish a Standing Senate Committee on Agriculture and Consumer Affairs to consider legislation and other matters of concern to agriculture and to consumers that may be referred to the said Committee by the Senate.

Hon. Mr. Flynn: Honourable senators, I rise on a point of order. I have nothing against the amendment moved by Senator Lafond, but I think it is out of order because it brings in something which is outside the purport of the main motion. There is another way of dealing with the matter which has been raised by Senator Lafond.

If His Honour the Speaker wishes to take this question into consideration, the debate could be adjourned. In my opinion, the amendment is outside the relevancy of the main motion and should not be entertained. I will have something to say after His Honour has made a decision on this point of order.

The Hon. the Speaker: Honourable senators, a point of order has been raised by the Leader of the Opposition as to the relevancy of this amendment. I should like to have some time to consider this question. I would hope to be in a position to give a ruling tomorrow. Does the Leader of the Opposition wish to add some details now on this point?

Hon. Mr. Flynn: No, Mr. Speaker. I have made my point. Someone else may wish to speak on it.

The Hon. the Speaker: The point will be decided in the light of precedents, and also in the light of what the Leader of the Opposition has said.

Hon. Mr. Michaud: Honourable senators, I move that the debate be adjourned.

The Hon. the Speaker: Honourable senators, I take it that this motion for the adjournment of the debate is moved under reserve, having regard to the ruling which I shall make on the admissibility of the amendment. If the Chair rules that the amendment is out of order, the motion of the honourable Senator Michaud for the adjournment of the debate would apply to the main motion.

It is moved by the honourable Senator Michaud, seconded by the honourable Senator McElman, that this debate be adjourned until the next sitting of the Senate. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-55 (ESSEX)—FIRST READING

The Hon. the Speaker *pro tem* informed the Senate that a message had been received from the House of Commons with Bill C-55, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

Hon. A. Hamilton McDonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BILL C-74 (HIGH PARK)—FIRST READING

The Hon. the Speaker *pro tem* informed the Senate that a message had been received from the House of Commons with Bill C-74, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BILL C-92 (RENFREW NORTH)—FIRST READING

The Hon. the Speaker *pro tem* informed the Senate that a message had been received from the House of Commons with Bill C-92, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BILL C-167 (TROIS RIVIÈRES)—FIRST READING

The Hon. the Speaker *pro tem*, informed the Senate that a message had been received from the House of Commons with Bill C-167, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of the Farm Credit Corporation for the fiscal year ending March 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970 (English and French texts), together with copy of Order in Council P.C. 1972-403, dated March 2, 1972, approving same (English text).

Capital Budgets of the Cape Breton Development Corporation for the year ending December 31, 1972, pursuant to sections 21 and 26 of the Cape Breton Development Corporation Act, chapter C-13, R.S.C., 1970, together with copy of Order in Council P.C. 1972-338, dated February 24, 1972, approving same.

Copies of letter, dated March 9, 1972, addressed by the Right Honourable the Prime Minister of Canada to the Prime Minister of Quebec, with respect to family allowances, manpower centres and adult occupational training.

Copies of letter, dated March 9, 1972, addressed by the Right Honourable the Prime Minister of Canada to the Premiers of the provinces, with respect to family allowances, manpower centres and adult occupational training.

COPIES OF LETTERS FROM PRIME MINISTER OF CANADA TO PROVINCIAL PREMIERS PRINTED AS APPENDIXES

Hon. David A. Croll: Honourable senators, respecting the copies of the two letters, dated March 9, 1972, addressed by the Right Honourable Prime Minister of Canada to, respectively, the Prime Minister of Quebec and the Premiers of the provinces, with regard to family allowances, manpower centres and adult occupational training, I suggest that they be printed as appendixes to our *Hansard* of today so that they will be easily available. They are important enough that we should have them before us as soon as possible.

The Hon. the Speaker *pro tem*: Is it agreed, honourable senators, that these letters be printed as appendixes to today's *Hansard*?

Hon. Senators: Agreed.

For text of letter to Prime Minister of Quebec, see Appendix "A", p. 152.

For text of letter to provincial Premiers, see Appendix "B", p. 154.

• (1410)

SCIENCE POLICY

CONSIDERATION OF VOLUME II OF REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, March 2, the adjourned debate on the consideration of Volume II of the Report of the Special Committee on Science Policy, tabled in the Senate on Thursday, February 24, 1972.

Hon. Donald Cameron: Honourable senators, in continuing the discussion originated by Senator Lamontagne on March 2, let me first of all pay tribute to him for the magnificent presentation he made at that time. Let me

also say that the members of the committee welcomed the clarification of some of the misunderstandings that arose out of that report as reported in the press. For example, one of the things that I am sure concerned most of us was the statement that appeared in more than one newspaper, and was promoted by one columnist, that the Senate committee was out to dismantle the National Research Council. This was a matter of great concern to all of us because quite the contrary is true, and the impact of the recommendations of the Senate Committee on Science Policy was to strengthen and make more viable the work of the National Research Council.

There are people going up and down the length and breadth of this country today attacking our report, and, of course, in a free and democratic society this is their right. But they have the advantage in that the discussion means that more people become aware of the issues at stake, and I am sure the Senate committee makes no pretence of having all the answers. But we think we have some, and in answer to some of those who are critical of the report I am happy to be able to say that SCITEC, the association comprised of a large number of the scientific organizations in Canada, has already endorsed 43 of 45 recommendations in Volume II. This is not a bad batting average. I do not intend to say anything more along that line at the present time.

Volume I of the Senate Report on Science Policy entitled *A Critical Review: Past and Present* says that after reviewing what was being done in the name of science policy in Canada and listening to hundreds of witnesses, scientists, educators, administrators and industrialists, and after visiting science policy administrations in a number of countries in Europe, and visiting the policy directors in those countries, the committee assessed the results of 50 years of scientific endeavour in Canada in the following manner, and here I am referring to the conclusion on page 283 of Volume I. I repeat this for emphasis because I think it is important to keep in mind always just what the committee has said:

> To attain the economic objectives of the first generation science policy, we put the emphasis on science and government laboratories, in the hope that they would foster new industrial technology. This strategy failed. When it came to social objectives, we made another strategic mistake. We believed that we could succeed merely by devoting huge sums of money to them.
>
> Every year we are building more schools, more universities; we are providing easier access to education. And yet we have more student unrest and more parental concern that our children are not getting an adequate preparation for real life.
>
> We are spending large sums to improve housing conditions, but our cities are becoming more and more crowded and inhuman. We are spending over three billion dollars every year on social security, but the poor are becoming relatively poorer and more and more restless as they live, through television or otherwise, closer to affluence. We are building more hospitals and providing for free hospitalization and better medical care, but a greater number of people die of incurable diseases, and the mysterious diseases of the mind are spreading.
>
> Our obvious failure to cope with our collective problems forces us to recognize that we do not even understand the true nature and the real dimensions of most of these difficulties. In other words, we are just beginning to realize that we have seriously neglected to support research and development activities in these crucial sectors. No wonder they still remain so puzzling and so frustrating to us.
>
> Yet, as we awaken to the urgent need for more research and development for social and collective purposes, we should not repeat the mistake of the past and think that this tragic gap in knowledge and understanding will be filled simply by devoting more money to science activities. We need more research, but not only that; we need good research and we need innovation. We must develop a coherent overall science policy so that we can not only meet our economic objectives more effectively but also more realistically face our mounting social problems.

This is from Volume I which provoked the most stimulating dialogue on science policy in the history of Canada.

Volume II entitled *Targets and Strategies for the Seventies* has been in the hands of the public less than two months but already there are evidences of revitalized dialogue on the Canadian scientific scene. The main thrust of Volume II is to present challenge of change—the need for dramatic change in the interests of national survival.

It is no surprise that there is great resistance to change on the part of certain segments of our national community. There has always been resistance to change. Here we find resistance to change on the part of certain individuals and some people in universities. We find resistance to change on the part of some scientists. We find resistance to change on the part of many government administrators. But I want to emphasize with all the strength I can, that the challenge of today to our scientific community, to our industrial community, to our commercial community and to the government itself is the challenge of change. In order to survive, we must be prepared to accept change. We must be prepared to innovate because innovation is change. The success of the new science policy for Canada will depend on the acceptance of change.

Constantly, throughout the hearings, the committee questioned witnesses about their knowledge of a national science inventory. Did they have any idea of the number and kinds and diversity of projects for which public and private funds were being used in Canada? We constantly asked, was there an audit or monitoring of the projects in order to determine in what manner the funds were being used and to determine what output was being derived from these huge inputs of money, manpower and resources? We constantly asked what steps had been taken to establish a national science and technical information system and I must confess that the replies were not too encouraging. This is probably not surprising because we are a relatively young country and so far we have not had to do a lot of things on our own. We could copy and adapt science and technological information from other countries. As a matter of fact, we will always

have to do this. If we remember that regardless of the amounts of money that we contribute towards our national science budget, Canada's contribution to the world pool of scientific information will be about 2 per cent of the total. This puts the matter in perspective. It also underlines the importance that Canadian policymakers and planners must give to the utilization of the resources we devote to science policy.

• (1420)

The purpose of a national science policy is to mobilize the resources of scientific and technical information in such a way that they can be readily available to the users. We must never forget that the most important criterion of the success or failure of a program of information, a program of innovation, is the extent to which it meets the needs of the user or consumer. This is something that has been too often forgotten or overlooked in much of the planning for the dissemination of information in the last number of years. Today, many contemporary organizations and institutions are in a state of crisis in their efforts to survive and adapt in a world of rapid and incessant change. These enterprises are turning increasingly to the use of the new "information technology," exemplified by but not limited to the electronic digital computer. Rosove, in Chapter 1 of his book *Developing a Computer-based Information System*, says:

> Unfortunately, the application of a new, dynamic technology as a means to overcome crises generates its own unique problems. These problems include creating an efficient process for the development of systems employing the technology, and dealing with the effects of the new development process on existing management orientations and organization.
>
> In the second half of the twentieth century we are witnessing an extraordinary growth in the size and complexity of governmental, military, and business organizations. Whether we look at public institutions, military commands, or business corporations, we see an increasing division of labour and more intensive task specialization, a growth in the number of employees, personnel or clients serviced an increasing diversification of operational functions, a proliferation of organizational components, and a growth in the geographical scope of operations. A contemporary enterprise may be characterized as a vast maze of interconnected and interdependent elements, all, presumably, organized and operating to achieve a common objective or related objectives, whether this goal be producing a product, defending a country against air attack or serving the needs of the public.
>
> As governmental, military, and business enterprises grow in size and complexity, and as they attempt to adapt to rapidly changing environments or changing threats in their environments—missiles, competitors, or population explosion—the need of government administrators, military commanders, and business managers to be able to receive process, and use large volumes of information rapidly becomes increasingly critical to the successful operation of the enterprise. The sheer number of data which must be utilized in the typical institution of the contemporary period is in itself overwhelming.
>
> The division of labour, technical specialization, and departmentalization characteristic of contemporary large-scale institutions call for a degree of co-ordination and, therefore, an exchange of information among interdependent operational units never before equalled in human history. In addition, events and operations within interrelated organizational units occur so rapidly that the unaided human mind is no longer able to keep abreast of the course of events with a speed sufficient to comprehend and control them.
>
> There is abundant evidence that existing methods and procedures for handling and using information in contemporary large-scale enterprises are failing to keep up with the needs of public adminstrators, business managers, and military commanders. As a result of this situation, there has emerged in recent years the specialized study and development of "systems" for the transmission, processing, and utilization of information.

If honourable senators have an opportunity of seeing any examples of contemporary technology, I would suggest that they seek an opportunity of viewing the Strategic Air Command at Omaha, Nebraska, the NORAD headquarters under Cheyenne Mountain in Colorado, or take a look at what we have at North Bay. They will then see the type of technology that is likely to be common within the next few years. In other words, the military are the possessors of modern advanced technology which nobody else can afford.

An advantage of this expenditure is that whatever is produced is rapidly adapted for civilian use. This is what a national system of information is all about.

What is information? It is important to recognize the distinction between information and data:

> A datum is a fact in isolation. Information is an aggregate of facts so organized, or a datum so utilized as to be knowledge or intelligence. Information is meaningful data, whereas data, as such, have no intrinsic meaning or significance.
>
> Information is the concept relating data which are otherwise meaningless to some specified human purpose or objective. From this point of view, "data processing" is a set of activities which transforms data into information. This distinction between data and information emphasizes what needs to be stressed. It focuses attention upon the uses we intend to make of data, rather than upon data-processing tools as such. A radar operator in a system of air defense who is tracking an unidentified aircraft regards radar returns from clouds as noise, not information; but to a meteorologist attempting to forecast weather, radar returns from clouds are not noise—they are the information he needs to achieve his objectives.
>
> An information system is the formal or rationally planned means whereby managers receive and transmit information. Hence it is more than an automatic data-processing system. It may include automatic data-processing as one aspect of the information-handling apparatus assisting management, but it may also include oral briefings. Every large man-made

enterprise depends upon and has an information system of some kind.

Largely because of the innovativeness of the Canadian Senate, as exemplified in the work of some of its committees recently, particularly its Committee on Science Policy, Canada has become the focus for a number of in-depth studies on our science policy and our information systems. We are the beneficiaries of a very detailed and in-depth analysis of the current system. The information that has come from this analysis should be helpful to us in assessing where we are at the present time and where we must go.

• (1430)

The OECD Scientific and Technical Information Policy Committee is quoted at page 411 of Volume II of our report as follows:

> There is therefore an urgent need for every member country to establish, as an integral part of its science policy mechanism, a focal point for information policy issue in science and technology—

That, of course, applies to Canada, as it is a member country.

The OECD considers an effective STI system—and STI stands for science and technology information—to be an urgent need for each country. We are fortunate in that Canada's STI system was the first to come under study of all OECD member countries by the OECD information policy group.

The report of the examiners of that group was published last year, and we quote that report at page 412 of Volume II to cite another example of what has been called "Science Policy by Accident." These experts, no doubt, were guided by tact and diplomacy, but they found it necessary to use unvarnished language in describing Canada's STI system, and what they said is worth repeating:

> Canada's STI system, however, developed piecemeal, without liaison between them; without plan, without co-ordination in a somewhat haphazard fashion. Present scientific and technical information policy in Canada may be said to be the result rather than the cause of the many information activities which have sprung up . . . It is doubtful whether the economy of the country could bear much longer the increased expenditure resulting from an expansion of the present system.

These words bear out the committee's own fears based on our extensive questioning of witnesses.

The committee has been accused by some of causing in Canadian science policy a "paralysis by analysis." Such criticism is difficult to understand when in Volume I we show how our science policy mechanisms had been effectively paralyzed for almost half a century. We tried to analyze the paralysis in Volume I. Surely the discovery of the symptoms of paralysis does not cause the disease. What is even more peculiar about this criticism is the fact that in Volume II we set out 45 specific recommendations for action, and as I said a moment ago, the SCITEC organizations have endorsed 43 of them. Surely that is a pretty good batting average.

Certainly some of these recommendations call for some analysis to be made, but an analysis of a type never before made in this country. One can state that the only way of avoiding institutional paralysis in today's, and more relevantly, in tomorrow's fast changing world, is for continuing analysis to be made of our science policy. An eventual adjunct to this will have to be a dynamic Canadian science and technological information system. In Volume II of our report, at page 411, we point out that the OECD examiners complimented Canada on the study of STI made by the Tyas Group. They stated that this study published by the Science Council was of immense value. But what happened? The Tyas study called for a change, and, as we all know, an entrenched bureaucracy, benefiting under the status quo, fights change. This is what leads to paralysis. What happened? The Tyas study did not lead to far-ranging changes, but to a watered-down compromise, so we have the OECD examiners advising us again, as quoted on page 411, Volume II of our report:

> The examiners are of the opinion that the recommendations of the Tyas Group deserve reappraisal and incorporation into plans for the future.

What the OECD examiners are telling us is to stop being paralyzed in the face of change and what should concern all parliamentarians is their warning—and I repeat it—as quoted at page 412:

> It is doubtful whether the economy of the country could bear much longer the increased expenditure resulting from an expansion of the present system.

This brings us to the one central paradox or problem concerning a Canadian STI system. Volume II of the Senate Science Policy Report is a statement centred around the thesis we develop, that Canada must become, and soon, an innovative society. In this volume we focus our attention on secondary manufacturing industry and say that this country's future, among other things of course, will depend on how effectively Canadian industry turns the output of not only Canada's but the world's knowledge-producing institutions into successful new products and processes.

If, as we believe, Canadian industry can and does become dynamic, growing and innovative, then there will be a vital need for a dynamic, growing and innovative scientific and technical information system, and this will always be complicated by the fact that at best Canada can produce only about 2 per cent of the world's science and technical information. China, this new emerging superpower, will eventually produce more than 25 per cent of the world's STI, which is a shock to some of us.

Now the paradox. Our STI capability must grow in order to match the growth of a dynamic industry, but, as the OECD warns, our economy could not withstand the growth of the present system. The Senate committee agrees. So what is to be done? Changes in our STI system must be made, and we have recommended this item for immediate consideration by the Ministry of State for Science and Technology. This is shown in the four recommendations on pages 592 and 593:

> 1. The Ministry of State for Science and Technology be given responsibility for initiating the creation of new scientific and technical information and transfer systems and technological forecasting services in co-

operation with the proposed National Research Academy and the Department of Industry, Trade and Commerce and in consultation with the communication industry;

2. The main operating responsibility for the collection, storage, and dissemination of scientific and technical documentation should be assigned to the proposed National Research Academy, and the operating responsibility for the collection, storage, and effective transfer of information and technological forecasts concerning the industrial innovative process should be assigned to the Department of Industry, Trade and Commerce, while enabling other government agencies to maintain their own systems according to their specific needs;

3. The Ministry of State for Science and Technology be responsible for the continuing review and evaluation and coordination of the various government agencies' scientific and technical information and technological forecasting activities; and

4. All these activities be arranged so as to encourage the development of a Canadian information and forecasting industry to which the two ministries named above should give high priority.

When governments suddenly perceive a problem such as this there is always a temptation to precipitately and unthoughtfully "do something," and no more costly mistake could be made in the field of STI systems. On page 334 the committee quotes the Prime Minister's warning about such a camouflage for real and meaningful change.

In the field of STI systems it would take no wit at all to expend millions of dollars on computer-based information systems to ferret out the growing world STI and send it careening back and forth over the length of this land. The possibilities of doing something are almost unlimited, and so are the attendant costs. You would have the unseemly spectacle of "a dynamic STI policy by accident."

The only way of ensuring we do not have a further growth of an STI policy by accident is to carefully set up guidelines for a Canadian STI system which carefully reflect the nature of the task.

• (1440)

First of all one must understand what is meant by information and information systems. It is sometimes forgotten that information is designed to inform the receiver of that information. Information, as I said earlier, is not simply data. There is an almost infinite reservoir of available or potential data that one could gather about any activity but that could not possibly inform anybody. Information is distinct from data. Information is a collection of facts, organized in such a way as to be knowledgeable or intelligible. In other words, information is data which has been processed to be useful and understandable for some specific purpose or objective. The focus of information must be on the user of information—and this is often forgotten.

One of the most interesting analyses made to date, namely, a Study of Success and Failure in Industrial Innovation, is a report on Project Sappho by the Science Policy Research Unit of the University of Sussex—and this is just off the press. Probably for the first time, pairs of innovations have been studied; that is, a successful innovation in a given line has been compared with an unsuccessful one. A detailed study was made to determine the factors which make this important difference. For the instrument industry, for example, the index variables which contribute to success, in order of importance, are: marketing know-how, knowledge of and attention to user needs, and thirdly, "the effectiveness of the innovating organization's communications network with the outside scientific and technical community." In other words, an effective STI system comes before "R and D strength," which is the fourth item. These are the key factors which differentiate between success and failure.

To illustrate this point in a simple manner, we take note of the fact that in Volume II of the Senate committee's report we deal with the first generation science policy. This policy is designed to develop the necessary excellence in basic research and an innovative industry which can sustain the economy at the necessary level of growth. Therefore, in a Canadian STI system for a first generation science policy, emphasis must be placed on the needs of the users, and such systems have been called "user friendly systems." STI systems must never be designed for the convenience of those who collect, store and process information, but rather the client must be catered to. Today, an STI system would undoubtedly use computers. One definition of an information system is:

> —an integrated, multi-purpose, geographically dispersed computer-based configuration of people, procedures and equipment designed to satisfy the informational needs of a user.

That is a definition which should be pasted up in every office in this country—and in every government office, too. This is taken from the book, *Developing a Computer-based Information System*, by Perry E. Rosove, published in 1967 by John Wiley and Sons of New York.

Experienced experts in the field of information systems warn that such sytems are often resisted and their implementation stifled because the revolution in information technology can only be realized by "revolutions in the social or institutional realm." In other words, the threat of change to which I referred earlier often causes managers to impede a more rapid and more successful utilization of the new technology. Experience shows that there is often a lack of correspondence between the jurisdictional area of an organization and the information system that it requires to meet its needs and objectives. The latter point often causes an information system either to be still-born or to be continually hampered by jurisdictional arguments.

This brings us to another aspect of a Canadian STI system, and that is its relation to the problem of "accountability." The system is primarily designed to meet the needs of its clients, either in the field of basic research or in the field of industrial innovation. In a subsequent volume, the committee will deal with systems designed for its second generation of science policy but here, as an example. we deal only with the first generation science policy. The question of accountability arises because a considerable sum of public money is spent in promoting in Canada, either basic research or R and D aimed at

industrial innovation; and, as parliamentarians, we know that there has to be accountability for these funds. In other words, what does the public get for its expenditures? What is the output from the multi-million dollar input?

The question of accountability cannot be answered by a simple statement of the inputs of public money to R and D but rather must be answered in terms of outputs. With regard to accountability, one would assume that eventually the Minister of State for Science and Technology would be in a position to account to Parliament for the funds expended in support of R and D in Canada. This would entail designing a Canadian STI system which would allow the ministry to measure not only the inputs to R and D but to also be informed of the outputs from such expenditures in terms which could be related to government objectives. And here I am delighted that the Minister of State for Science and Technology has recently indicated that it will be one of the functions of his ministry to monitor and examine carefully the inputs and the outputs—and this is long overdue in Canada. I realize that this part of the policy is an anathema to certain scientists who insist that they have a right to go their own untrammelled way and that the only responsibility of the public is to give them access to unlimited funds for which they are not to be accountable. In fact, one distinguished Canadian scientist, in speaking from one end of Canada to the other about Volume II of the report of the Senate Committee on Science Policy, has described the senators who prepared the report as being "all wet." Time will tell who is "all wet" in this matter, and I refer to an article on this subject which appeared in the *Toronto Star* of Friday, February 25. I am not going to quote it. We see in this man's statements the classic example of the resistance to change—not only a resistance to change but a willingness to distort the facts, because this man, and many others, including a well-known columnist in this city—

Hon. Mr. Flynn: Name him.

Hon. Mr. Cameron: —falsely accuse the Senate committee of being deliberately out to destroy the NRC. If these men had taken the trouble to read the report they would see that, instead of destroying the NRC, the recommendations of the Senate committee will strengthen that organization—and that this is what Canada needs today and what Canada must do in its own national interest.

A Canadian STI system, therefore, must be designed to supply effectively the users of STI with information which they require. The clients of such a system would be found in universities, industries and governments. Many of the users of the STI would be managers of projects, funded wholly or in part by public funds. Some of these managers would also be government employees.

We also see that from the point of view of accountability, a Canadian STI system must be so designed that information on the outputs of these publicly funded programs be collected so as to evaluate the outputs from the various points of view. Here we must take into account the common experience that the managers of a program are not the best people to evaluate the program from the point of view of the effectiveness of the expenditure of public funds. That is why the committee has recommended certain actions to be taken by the Ministry of State for Science and Technology, and why the committee feels that that ministry should not have any operating responsibility for programs in order that they may be better able to preserve their impartiality by avoiding the situation where they are managers of R and D programs and evaluators of the same programs.

• (1450)

Regarding the function of a Canadian STI system designed to supply the users of STI, attention should be given to three aspects.

First, in a country as large as Canada, attention should be given to decentralization because it is obvious that there are differences between the needs of STI users in different parts of the country. For example, the needs of industries in the Maritimes might be very different from the needs of users in southern Ontario, and, again, the client requirements in the Province of Quebec would be different from those in Alberta. In the regionalization of STI systems, arrangements would have to be worked out between the federal government and the provincial governments, and in the past such arrangements have been made.

The second aspect which must be considered is that of community control because in any region the public are quite aware of their problems and are very conscious of a potential for betterment. Hence, it is only reasonable that in regional areas the public should have the means to control the expenditure of their own funds. This aspect might simply result in co-operation between local governments and the federal government along with ensuring that the process whereby STI becomes available is readily visible to the public. Another aspect, of course, arises regarding community concern over pollution. Here special attention will have to be given to ensuring that the public can have access to authoritative information about pollution problems.

The third aspect which must be considered is to decide to what extent a market model can be used in an STI system. It is oftentimes remarked that people, such as industrialists, do not appreciate information that they do not have to pay for. Another way of looking at this is to reflect on the obvious fact that information for industrial firms is probably not very useful if they are not willing to pay for it. One obvious way of ensuring the effectiveness of a client-oriented STI system is to determine to what extent the clients are willing to pay for this service. This approach opens the way for private industry to participate in the development of a Canadian STI system, and this might well offer export opportunities. As an example, a regional STI system in the Province of Quebec would necessarily have to translate much of the STI from English-speaking regions of the world into the French language, and it might well be that there would be a market for this information in the rest of the Francophone world, particularly in the developing countries.

Regarding the necessity of having accountability for public money spent by the federal government in support of R and D in the various sectors, such as universities, industries and within the federal government's own laboratories, it is worth stressing the obvious steps which must be taken. There are four such steps which I will

describe briefly. First, it is necessary to define the objectives for which R and D funds are expended, and this would also involve defining the objectives of the organization receiving such funds, especially if they were the government's own laboratories. Such definition of objectives should be made as clearly as possible. For example, if the objective of a particular government laboratory is to develop excellence in basic research in a certain field, then the STI system must produce information which allows the effectiveness of this particular unit to be measured over a period of time.

If governmental support of industrial R and D is intended as an objective to promote innovation, then information obviously would have to be collected which allows some measure of the effectiveness of the expenditure to be made. For example, if the federal government increases its supply of R and D money to industry, does this expenditure lead to increasing innovation or does it simply result in firms spending less of their own money to maintain their previous level of innovative activity? Hence, the STI system must supply information which allows decision-makers and parliamentarians to know how effectively the moneys are spent regarding the objectives. In other words, here we are underlining the necessity of a national science inventory. We must know what the proposals are for which the money is to be used.

Second, information must be collected which shows what the money was being spent for and what was being accomplished. This is necessary to some extent in order to see the relevance of the expenditure. For example, although a given institution might be performing at a high degree of excellence in some region of basic research, there nevertheless would always be the question as to whether certain areas of basic research relevant to long-term Canadian problems were being funded to a sufficient level. Also, parliamentarians from time to time would want to know what was being spent and what was being accomplished in certain specific areas, such as research on cancer and other diseases. In other words, the monitoring process as part of our basic philosophy comes in here.

Third, a dynamic science policy mechanism in the federal government would inevitably be defining alternate policies for the future and, hence, there would be the requirement for collecting as much information as possible in order to calculate what each alternate policy would cost and to estimate its effectiveness. Here it might be necessary from time to time for the government to experiment with different policies in different regions at different times in order to obtain information allowing judgment to be made on the effectiveness of the different policies.

Some observers believe that in the 1970s there will be a requirement for more and more of such experimentation to be done in order to arrive at more effective policies. What has inhibited this process in the past is the failure to design programs so that something can be learned from them which can guide the design of future programs. Some observers point out that this failure to some extent is due to the lack of courage on the part of administrators. In the future, all science policy programs, as well as programs for the dissemination of scientific and technical information, should be designed so that the requisite information is obtained to allow the effectiveness of the program to be measured and evaluated.

Fourth, a systematic procedure must be instituted which allows all the relevant information about government-funded science activities to be brought together in a manner allowing a coherent overall science policy to be operative.

To summarize then, the OECD has added to the evidence which points out that we have had a STI policy by accident and that the country cannot afford to pursue this unguided, or misguided, path. If Canada is to become an innovative country, then we must have a growing and more effective STI system. The guidelines for such a system must be squarely centered on ensuring that the needs of the users of the system determine the development and direction of the system.

I should point out here that there are persons, in universities in particular, who resent that approach. Their attitude is: "The only action for the government to take is to give us the money we want, and out of that will come magnificent discoveries." Well, I say that perhaps some discoveries would come out of that expenditure, but probably not nearly as many as they would suppose.

With regard to a first generation science policy, which is the substance of the first two volumes of the Senate report, this means that Canadian basic researchers and industrial R and D staff and the managers of industrial innovation must have their needs met. In meeting the needs of the users, it is suggested that account be taken to decentralize the STI system so as to deal more effectively with local or regional Canadian needs. The community must have some aspect of control of the system as well as the necessary access, and the market mechanism should be used to the maximum practical extent. Furthermore, encouragement should be given to the private sector to develop economically viable STI activities, especially with a view to export possibilities.

• (1500)

Finally, stress is given to the need for accountability for public funds spent in support of R and D. This leads to the necessity of having one function of the Canadian STI system which provides the government with the necessary information on the output of the various government-funded R and D activities in a manner allowing evaluation to be made. It is recognized today that an effective and coherent STI system is a prime requirement for any industrial society, and it is clear that Canada and other countries have a long way to go in order to develop such a system. Fortunately, today there exist the skills and the equipment necessary for this challenging task to be effectively met. In Volume II the committee makes certain recommendations that would place this exciting task on the shoulders of the new Ministry of State for Science and Technology and the Department of Industry, Trade and Commerce. In this connection I would like to emphasize the tremendous volume of new material coming out. This volume which I have in my hand contains the proceedings of the American Society for Information Science, Volume 8. It is entitled *Communication for Decision-Makers*. It is just off the press. It is the report of their 34th annual meeting. Looking at the report it is interesting to note that

while the participants were mostly American, there were three Swedish participants and only two Canadians. I am happy to recognize that the two Canadians came from my own University of Alberta. One was Doreen M. Heaps, Department of Computing Science, University of Alberta. The other was Wayne D. Ingram, Northern Alberta Institute of Technology. It is significant that these two bodies should be dealing with this particular subject because on the one hand you have the university, which very often takes the theoretical approach, and on the other you have the Institute of Technology, which takes the applied approach. In our educational system today we must place more and more emphasis on the practical approach as well as the theoretical. I recommend this volume to you for reading.

Let me recapitulate that the essential elements of a national science policy should be based on accurate and as complete information as possible. This information should encompass a national science inventory; in other words, a schedule of the programs that are receiving public and, if possible, private funds. Secondly, it must make provision for an audit or monitoring of these projects. And here I say an audit which will encompass the assessment of the priorities for which funds are to be used. This is the first step in a monitoring process, then to be followed by an auditing of the results that come from that expenditure. And third, in order to make the whole program effective, we must build the kind of national science and technical information system which will mobilize and canalize the resources of scientific and technical information, not only between institutions such as universities, government and industry in Canada but which will mobilize the resources of information which are available as free goods in many other countries in the world. We must never forget that in spite of the huge expenditures which are proposed by the year 1980, Canada's contribution to the total bank of new scientific knowledge and information will be about 2 per cent. This fact alone underlines how important it is that we draw upon the resources of other countries and, as has been pointed out so often, this information is often in the public domain and thus is available for free use if we only had the wit to use it.

Finally, a national scientific and technical information system will depend on the establishment of a number of centres of excellence in the country based on institutions both centrally located and regionally located, and all of these must be linked together using the most modern and effective information retrieval systems. Using this kind of approach a national science and technical information system can help to make the Canada of the 1970s and 1980s the kind of innovative and imaginative industrial society which will enable us to use the resources of the country more effectively in promoting the national welfare.

In conclusion, there is a closing paragraph I want to quote from Rosove's book *Developing a Computer-based Information System* where he says at page 357:

> The contemporary revolution in the information sciences and the social revolutions call for imagination and the willingness to explore new areas for the application of computerized systems and new ways of conceptualizing information systems per se. We need the kind of thinking that can conceive a "national research library" built around computers and other hardware which would serve the information needs of both the federal government and the universities; we need new approaches in which the information system as a national public utility does not seem far-fetched; we need to be able to design entirely new kinds of medical information systems of the type illustrated in figure 6.2. This is the kind of thinking which is required if we are to survive our time of troubles.
>
> A word of caution must be added. Technology by itself can solve nothing. Implied in this book is a set of values; at the core of these values is a belief in man as the creator of his own destiny. Furthermore, we believe that institutions, also, are the creations of man and exist for his benefit; they are not sacrosanct. The truly effective use of information system technology will require a re-examination of all types of accepted institutional forms, from the operations of the Congress of the United States to the management of waste disposal. Today our armament for survival includes the information sciences. These sciences can be one of the instruments in achieving the next evolutionary stage of mankind.

[Hon. Mr. Cameron.]

On motion of Hon. Mr. Grosart, debate adjourned.

AGRICULTURE

DESIRABILITY OF ESTABLISHING STANDING SENATE COMMITTEE—MOTION IN AMENDMENT—SPEAKER'S RULING ON POINT OF ORDER POSTPONED

The Hon. the Speaker *pro tem*: Honourable senators, with reference to this particular point I should like to say that His Honour the Speaker left Ottawa this morning and I replaced him only an hour ago. Therefore, before rendering a decision on this matter I should like to have a little more time to consider it. It is my intention to hand down a ruling tomorrow.

As honourable senators are aware, the point of order was raised yesterday afternoon when honourable Senator Lafond moved an amendment to the motion of honourable Senator Argue for the appointment of a Standing Senate Committee on Agriculture. The point of order at that time was raised by honourable Senator Flynn.

In the meantime, and before I hand down my decision tomorrow, if there are other honourable senators who would like to speak to the point of order, I shall be very happy to hear them.

Hon. Hazen Argue: Honourable senators, I should like to say a word concerning the point of order. Before Senator Lafond moved his amendment he spoke to me about it. In fact he had spoken to me before I made my initial speech, so I do not have any personal objection to the amendment placed before the Senate. The main purpose of this motion is to establish an additional standing committee to deal with questions relating to agriculture. It seems to me that it is quite in order for an honourable senator to propose that the jurisdiction of that proposed committee be widened to include some other field of consideration.

• (1510)

Senator Lafond moved that in addition to agriculture the committee might consider consumer affairs.

I am certainly no expert on the rules, but both the Senate and the House of Commons have committees dealing with more than one subject and some of those subjects are quite diverse. I think one could argue they are more diverse than the fields of agriculture and consumer affairs.

Hon. Mr. Flynn: You could perhaps argue that.

Hon. Mr. Argue: I have checked the fourth edition of Beauchesne's *Parliamentary Rules and Forms* where, in paragraph 203(1), at page 171, it is stated:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

I think the amendment would be intelligible and consistent. I do not think the motion and the amendment are self-exclusive, and I do not feel one is repugnant to the other.

In paragraph 202(12) at page 170 Beauchesne states:

> An amendment proposing a direct negative, though it may be covered up by verbiage, is out of order.

This is not a direct negative. The Senate might well consider it to be in order. When it comes time to deal with this question the Senate will have to decide whether it wishes to support the addition of consumer affairs to the committee's terms of reference.

I appreciate the opportunity of saying these few words before the ruling is given tomorrow.

Hon. Jacques Flynn: Honourable senators, since I raised the point of order, perhaps I will be permitted to say a few words in reply to Senator Argue, whose opinion I hold in high respect. As I indicated yesterday, I did not raise this point of order because I have deep feelings regarding whatever decision is given. It does not matter to me, except it might set a precedent which could be dangerous. If I follow Senator Argue's comments, the addition of consumer affairs to the terms of reference of a proposed committee on agriculture, while it does not change the realm of the proposal, would mean there could be added to those terms of reference everything that is presently in the terms of reference of other committees. We would then have only one standing committee on agriculture which would deal with banking, trade, commerce, health, welfare and so on.

I suggest to Senator Argue that we must draw the line somewhere. Everything is relevant, but it seems the rule of relevancy does not apply any more.

I remember when I was Deputy Speaker in the other place, no one gave me more trouble with regard to the application of the rule of relevancy than did the then honourable member from Assiniboia. He could always make an argument in favour of relevancy. No one was better at this than he, except perhaps the present Leader of the Government in this house who might be inclined to say I am opposed to a motion because the sun rose at five o'clock this morning.

Hon. Mr. Argue: Sometimes you are inclined to agree with that principle.

Hon. Mr. Flynn: I had to make some concessions because Senator Argue was heading a small group of about seven members, and he even had difficulty with them. So I had to be very kind to him. I feel I did my best, and I think I helped him occasionally. However, if the rule of relevancy means anything, I do not think his argument will stand up. The line must be drawn somewhere. If a motion for the setting up of a committee on agriculture can be amended to include consumers affairs, then any other subject can be added.

Hon. Eugene A. Forsey: Honourable senators, I wish to make one comment in reply to what Senator Flynn has just suggested. It seems to me we must draw the line somewhere, yes, but I cannot see why we should make fish of this proposal and fowl of the name of our Standing Senate Committee on Health, Welfare and Science. I should have thought that science was no more closely allied to health and welfare then consumer affairs would be to agriculture. It seems to me indeed that there is a rather close connection between consumer affairs and agriculture—as close a relationship as exists between consumer affairs and corporate affairs, in the name of one of our departments of state. In my view, one can reasonably say that consumer affairs is as relevant to agriculture as science is to health and welfare, or as labour was to the former standing committee of this house on immigration and labour. I recall there was such a committee. In fact, I appeared before it as a witness on one occasion.

I cannot see why the line of relevancy should be drawn at the point which Senator Flynn has suggested. A case could perhaps be made if agriculture and astrophysics were linked. I think that that would be going way out beyond the limits of relevancy. However, I cannot see that there is a serious question of relevancy here.

Hon. Mr. Flynn: Honourable senators, may I say that Senator Forsey has learned this from Senator Martin. I am sure that Senator Argue, in moving to set up a committee on agriculture, never had in mind the inclusion of consumer affairs.

Hon. Mr. Martin: I do not know why you always bring my name into these matters.

Hon. Mr. Flynn: Perhaps it is because you are my best argument.

Hon. Mr. Forsey: Honourable senators, in reply to what Senator Flynn has just said I should like to point out that in several agricultural measures brought before us recently there were references to consumer interests, or provisions for consumer representation on marketing boards or other such bodies.

Hon. Mr. Flynn: That is very well put, Senator Forsey, and I agree with you. I would not have dared to use that argument.

The Hon. the Speaker *pro tem*: Honourable senators, I wish to thank those who have spoken on this matter. As I have indicated, I will give my ruling tomorrow.

• (1520)

FOREIGN AFFAIRS

MOTION AUTHORIZING COMMITTEE TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH EXPANDED EUROPEAN COMMUNITIES—DEBATE CONTINUED

The Senate resumed from Wednesday, March 8, the adjourned debate on the motion of Hon. Mr. Aird that the Standing Senate Committee on Foreign Affairs be authorized to examine and report on Canadian relations with the expanded European Communities.

Hon. M. Grattan O'Leary: Honourable senators, Arthur Meighen, who was my hero of public life, once told me, "O'Leary, if you have nothing of usefulness to say, for heaven's sake, don't start saying it and, above all, don't keep on saying it." I must confess that I have disregarded that advice by attempting to speak, briefly I hope, on this particular subject. I am doing so at the request of Senator Grosart, who is much busier in this chamber than I, has more work to do and is doing more. Therefore, in a moment of weakness I told him I would substitute for him.

I must say at once that there is a certain academic element in discussing the Common Market, because there is no certainty whatever that Britain will enter it. I know there has been a general assumption or belief in this country that because some particular government in England comes out for the Common Market the proposition has the support of the British people. That was not true when the proposition was first advanced in Britain, and it certainly is not true today. When the vote was taken, a week or two ago, on the acceptance of the principle of joining the Common Market Mr. Heath, out of a house of 640 or 650 members, was able to achieve a majority of only eight. He got that majority through the support of six members of the Liberal party. The support of six members of that once historical party in England today means practically nothing at all. Indeed, had he not received the support of that famous gentleman, Mr. Jenkins, who carried with him the support of certain members of the Labour party, the proposition would have been defeated.

The fact is that poll after poll in Britain has shown 45 per cent, 50 per cent, and 54 per cent in one case, of the population of England voting against entering the Common Market. This is understandable. From the days of the Tudors right down to 10 years ago, England's proud boast was that she occupied splendid isolation from the Continent. You will remember the story in a London newspaper when a heavy fog developed in the channel. It headlined: "Heavy fog over the channel—continent isolated." That was the attitude of the English people—to maintain balances of power, yes, but as far as possible to keep away from entangling alliances with Europe.

That is what happened, and today in England the most famous economist there, Professor Harrod, the biographer of Keynes, is against the Common Market. Arthur Bryant is against the Common Market. Professor Jay, a noted economist, is against the Common Market and, as I said, vote after vote has shown the British people to be against entering the Common Market, with some reason.

[The Hon. the Speaker.]

The Common Market, after all, was launched in Europe as a political instrument. The Treaty of Rome provided for political unification of Europe. They have not succeeded in achieving that, but they certainly have not abandoned the idea. Mr. Monet, who was the chief architect of the market, says "We are still in politics." The British people know that, and I wonder how many Canadians realize that some 55 British statutes will have to be amended when Britain enters the Common Market. There is hardly any doubt that if Britain enters the Common Market a great deal of British life will be affected directly, not by acts of the parliament at Westminster, but by decisions taken in Brussels. A great many Canadians do not seem to realize this. The Rome Treaty still exists. Its authors continue to have in mind that which they set out to do in the first place. They have not abandoned the idea. Therefore some of the best authorities in Britain today believe that for Britain to enter the Common Market would be apostasy of Britain's past, and retreat from greatness. We all know what that would mean to the pride of the Englishman.

I therefore say—and I have talked to many Englishmen on this subject during the past week, and they also said this—"Wait. It is true that Heath has had the principle endorsed, but wait until he attempts to get certain clauses of that bill passed, and see what happens." They said that if they were wagering money they would wager that the proposition to enter the Common Market will not succeed as it stands.

I do not refer now to Mr. Wilson. He apparently accepted a proposition less favourable to Britain than the one before them now. Politics is politics. Wilson is a very shrewd and able politician, and were it not for the stand taken by Jenkins the bill would have been defeated the other day. But let us forget about that and assume the bill will pass, and that Britain on January 1, 1973 will become a partner of the European Economic Community.

I am astonished that so little has been written or said, and so little action taken, by the Government of Canada regarding the effects of this upon Canada. I know that people come here from England, as they did the last time the proposition was before us, and say, "Yes, of course this will affect you and it will affect certain of your exports, but with the great growth of the Common Market and that of Britain as a partner, if we join, the long-term benefits will be great for Canada." Just what that assumption is based upon, I do not know. I only know that, considering the figures, a tremendous number of our exports—exports which are pretty vital to us—will be drastically affected by Britain's entry into the Common Market.

Consider pulp, paper and newsprint, for example. We now receive a preference from Britain, which Scandinavia does not. If Britain enters the Common Market, a 12 per cent duty will be imposed on our pulp and paper and other products. This will be necessary because Britain would then have its European Common Market attachments. Under the same proposition, the Scandinavians will enter free, and they are now our major competitors. They are more successful competitors because they are not taxed in Scandinavia as our pulp and paper industry is taxed.

• (1530)

When we see what the pulp, paper, and newsprint industry means to Canada from the viewpoint of exports and employment, the acceptance without concern or protest of the proposition that Britain's entry into the European Common Market will place us at a grave disadvantage because of Scandinavian competition amazes me. I have not heard one member of the present cabinet, speaking on any public platform or in the other place, express concern over the effect on our export trade of Britain's entry into the European Common Market.

I am well aware that an undertaking has been given that if any Commonwealth interest is adversely or gravely affected compensation will be provided, but we do not know—and I doubt whether the Canadian government knows—what that compensation will be. It will have to be negotiated, but it has not been negotiated yet. At a time when exports are vital to the life of this nation, Canada is faced with the fact that Britain's entry into the European Common Market, assuming that it will happen, will gravely affect her exports, employment, and general prosperity.

I have mentioned only the pulp and paper industry. There are other products which are likely to be affected. Let us consider the effect on barley—and I am sure that Senator McDonald is aware of this. Last year we sold $14 million worth of barley. If Britain enters the European Common Market our barley will come under a tariff of 12 per cent, whereas at present it enters Britain free.

Barley is only one other commodity. I could cite example after example of Canadian products which are now entering Britain free but which will come under tariffs imposed by the European Common Market countries. No one appears to have thought about that.

Five or six years ago, when the Diefenbaker government was in office, our trade with Britain was far greater than it is today. I recognize the fact that had Britain entered the European Common Market at that time, the effect of her entry would have been greater than it is likely to be now. At that time we went over to Europe and protested Britain's proposed entry. My Liberal friends and the Liberal press said that we had gone over there and attacked dear old Britain, that we had initiated that protest. As a matter of fact, we did not initiate that protest. It was initiated by Australia and New Zealand, and we merely followed suit.

Mr. Diefenbaker was represented as being anti-Britain, anti-Empire, anti-everything—even anti-Canadian, for that matter—merely because he sought to point out the effect on Canada of Britain's entry into the European Economic Community.

I recall that when Mr. Macmillan came to Canada he said, "Gentlemen, if we find that our entry into the European Common Market adversely affects the Commonwealth, we shall not go ahead with it." Britain, in effect, gave us a pledge that the Commonwealth would not be abandoned. Sir Anthony Eden made an emotional speech on this subject, and said that no matter what happened, Britain would never abandon the Commonwealth, and, "You people come first." Within six months that was all forgotten. Britain adopted the attitude, "We will enter the European Common Market or bust. We must go in."

Curiously enough, an assumption exists, which has been acceded to particularly by the Canadian press, that if Britain does not enter the European Common Market she will not survive. Where is the proof of that? Where is the proof that the European Common Market will continually expand?

It has been said that the European Economic Community has made spectacular advances from a percentage standpoint. But what did it advance from? Percentages do not mean a thing. Any businessman will tell us that. A businessman might say, "Last year I experienced a 25 per cent growth rate over the previous year." A growth from what? What was the figure the previous year?

Some of the American senators who visited Canada recently to attend the meeting of the Canada-United States Interparliamentary Group indicated that Canada and the United States would gain enormously from Britain's entry into the European Common Market, and suggested that Canada and the United States should get together and make a deal with the European Economic Community. I have before me some papers, presented by the Council of Europe, which provide figures on world trade. Senator Aird, when speaking the other day, said that the European Common Market absorbs a large percentage of world trade. That is true, but that trade is among the member countries of the European Economic Community. It does not mean that following Britain's entry that trade will come directly or indirectly to us. The figure quoted by Senator Aird merely represents the total trade enjoyed by the member countries of the community. No one can say how much trade will flow between Canada and the European Economic Community. I have not met anyone who can forecast that. It is all conjecture, supposition, and wishful thinking.

There is no proof that the Canadian farmer or manufacturer, particularly the manufacturer of refined goods, will benefit from Britain's entry into the European Economic Community. What did the community buy from us last year? Purchases from Canada by the EEC last year amounted to about one per cent of Canada's export trade; 85 per cent went to the United States.

I was astonished to hear Senator Aird, in the course of his speech, supporting the viewpoint we hear so often that Canada must have a countervailing force in Europe against possible absorption, economically and otherwise, by the United States.

Why did we not have this trade with the European Economic Community last year? Why did we not have it the year before? It is said that the United States is forcing Canadians to become hewers of wood and drawers of water. That is not so. The nations which are doing that are in Europe, members of the European Economic Community. In the last three or four years they have purchased practically none of our processed goods. The goods which create jobs for Canadians have gone to the United States; they have not gone to the member countries of the European Economic Community. That is something that we should all remember.

Canada must seek trade wherever she can find it. We admit that. However, the idea that this country should endanger or abandon its trade with the United States for will o' the wisp trade with the European Economic Com-

munity, or with China or Russia, is something which is abhorrent, and should be abhorrent to all Canadians.

On motion of Hon. Mr. Grosart, debate adjourned.

• (1540)

HEALTH, WELFARE AND SCIENCE

PROPOSED STUDY BY COMMITTEE OF LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE CONTINUED

The Senate resumed from Tuesday, March 7, the adjourned debate on the motion of honourable Senator Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. Sidney L. Buckwold: Honourable senators, in rising to say a few words as the seconder of the motion which is before the house I do so, I know, to the extreme disappointment of my learned colleague, the Leader of the Opposition.

Hon. Mr. Flynn: Oh, no, you are entitled to redeem yourself.

Hon. Mr. Buckwold: I want the Leader of the Opposition to know that I am not following instructions from the Leader of the Government. In fact, my instructions come from the distinguished member of the Opposition who moved the motion, Senator Haig.

I apologize to my friend, the Leader of the Opposition—

Hon. Mr. Flynn: If you are taking instructions from Senator Haig you should apologize to the Leader of the Government.

Hon. Mr. Buckwold: I am very pleased that Senator Haig asked me to second this motion because it gives those on both sides of the house an opportunity to support what could be an important study with long range effects on the entire relationship of management and labour.

I particularly like the way in which the motion is worded. I refer to the fact that it asks for an examination and a report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services. It does not have any specific direction. It does not suggest that strikes are obsolete. It does not suggest the outlawing of procedures which we presently follow. It simply asks that the committee review what we are doing, and the efficiency of the actions presently undertaken in settling disputes in areas affecting public services, and, hopefully, bring forward some suggestions.

I think this is all to the good. I believe that in so far as the area of public services is concerned, the people of Canada have reached the stage where they expect some review of the situation. There has been a great deal of inconvenience to the public of this country, not only at the national level but also at the provincial level and, in some cases, the municipal level. All in all, whether through this committee or some other means of studying the efficiency of our system, the people of Canada feel that such a study should be undertaken.

I want to emphasize that this committee has no preconceived notions of what should be done. I would hate to think that because of my support of this motion some members of the Senate would say that I am against strikes within the Public Service. It may be it is the only way we can achieve settlements; I do not know.

I am concerned about the direction of the thinking of union leaders about public servants. A few days ago D.S. Davidge, business manager of the 2,200-member electronic unit of the International Brotherhood of Electrical Workers was quoted in the *Globe and Mail* as saying he believed the traditional strike to be of doubtful value. That in itself sounds very good, but the news item went on to say:

> "Instead of striking in a form that's visible to outsiders, we may have to strike inside—a psychological strike, if you wish—that would create internal chaos," Mr. Davidge said just a few hours after announcing acceptance by a relatively narrow margin of the agreement negotiated about 10 days ago.

I believe this has to be a matter of some concern. This could literally cause a breakdown of services such as those provided by the air traffic industry, resulting in a danger to the public. This must be a matter of real importance in our consideration of the question before us today.

I am quite sure no member of this house is able to provide the answers without a significant study. Senator Lawson said that our present procedures are reasonably effective. He indicated in his remarks last week that a little bit of inflation is not so bad. He is quite prepared to accept it. I think he said, according to the note I have, a little bit of inflation is acceptable, and this may be quite true. Of course, the question is how to stop a little inflation from becoming runaway inflation.

All of us must be concerned with the effect of settlements in the Public Service on the overall labour-management relationship in the country. When a large settlement is agreed to with a segment of the Public Service, the ripples are felt all the way down the entire labour-management line. For example, the dock workers in Montreal were awarded a substantial wage increase and it resulted in chaos in the whole field of labour-management settlements and started, in my opinion, a round of spiralling wage settlements which were detrimental to the country as a whole.

Settlements in certain segments of the Public Service are generous because of the pressure those segments are able to exert. I believe these create a class of favoured employees. In other words, some unions, because of their particular bargaining position, are able to get much better deals for their membership than other unions. Of course, the bargaining position of the non-unionized segment of the labour force—and that involves the greater percentage of our labour force—is even weaker. This is the type of thing that must be of concern to the committee.

We still have with us the problem of the dispute between the CBC and the electronic technicians. I have some letters from people in my area of the country who say that we should just let them go on for as long as they wish because the only thing being missed is the hockey games. I do not agree with that. I feel that the CBC provides a

first-class service, and the sooner that dispute is settled the better. I pass that on simply as an observation.

There are other approaches to labour-management disputes. For example, we should be reviewing the possibility of establishing labour courts of a judicial nature. In other words, the Government of Canada should establish labour courts which would have a similar structure to those set up under our judicial system, and in which disputes concerning public servants could be adjudicated. We would have labour courts presided over by judges appointed on the basis of their experience. The judges could be recruited from the ranks of labour, management, or the legal profession. If such a permanent court system to deal with labour disputes were set up, perhaps there would be some rhyme and reason to decisions handed down. One of the weaknesses of our system of arbitration boards is that there is no continuity. There is a board here and a board there, and we really do not know how settlements are finally arrived at.

• (1550)

It seems to me that we have to look at new approaches. What is done in the Public Service, as I have indicated, will reflect through all labour-management relationships. We must have some new outlooks. I read somewhere that it is easier to perpetuate an old error than to agree with a new concept. We are always saying that we cannot eliminate the strike, that we must continue to do what we have been doing. I believe that with the enlightened outlook and ability of many of our labour and management experts in government and elsewhere we can come up with some new approaches.

Honourable senators, it is a privilege for me to second this motion, which I hope has the support of this house.

On motion of Hon. Mr. Forsey debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX "A"

(*See p. 139*)

LETTER FROM PRIME MINISTER OF CANADA TO PRIME MINISTER OF QUEBEC REGARDING FAMILY ALLOWANCES, MANPOWER CENTRES AND ADULT OCCUPATIONAL TRAINING

Ottawa
March 9, 1972

My Dear Prime Minister:

In September we had an exchange of letters which resulted in discussions with respect to family allowances and also questions of manpower centres and adult occupational training. I am glad that progress has been made on all of these, although further consideration appears to be necessary on the manpower and occupational training questions. Discussions on the latter questions have been taking place with the provinces over the last year or two and specific representations have also recently been received from the governments of Manitoba, Saskatchewan and Alberta. I would hope that further discussions could soon bring these questions to satisfactory conclusions for all concerned.

We believe that the exchange of views with respect to family allowances has reached a stage where the federal government is now in a position to indicate to Quebec and to the other provinces the nature of a modification it is prepared to make to the federal Family Income Security Plan in respect of its application.

The basic principles that, if adopted, could provide for the adjustment of the federal family allowance plan to a program of allowances adopted by a provincial legislature have been extensively discussed by our officials in recent months. Acceptance of a plan along these lines would represent, as you will appreciate, a very important change so far as the federal government is concerned. For the first time, a federally-financed and administered program, legislated by Parliament, would be subject to modification to accord with a provincial program even though the amount of financial participation by the province would be small in comparison with that of the federal government. In considering the matter, the federal government must, of course, envisage an arrangement that would be capable of adoption by all provinces and this requires that the arrangements be such that they would be administratively possible even if ten variations of application were to emerge. It also means that certain conditions have to be laid down. These have for the most part already been mentioned by you or your Minister of Social Affairs and should not, therefore, create any problems. The Government of Canada is thus prepared to propose the following plan to the provinces.

Where the federal Parliament and a provincial legislature have each established a scheme for the payment of family allowances and the provincial law relating to such a scheme seeks to ensure an integrated system of allowances within the province, provision will be made for the federal scheme to be modified by a federal-provincial agreement so that the amount of monthly benefits, the levels of income at which the reduction of full benefits commences and the rates of reduction to be applied will accord with the standards of the provincial scheme. This will mean that the provincial legislation, within the ambit of certain limits related to national standards, will determine the design of the federal program operative in the province. It is proposed that such an option should be open to a province where the provincial expenditure on these allowances, apart from any funds raised by the province through tax abatement provisions, is at least 15 per cent of combined expenditures on family allowances by the two governments. This would enable the province to ensure that the federally-administered payments under the basic plan are co-ordinated with the provincially-administered payments provided by the province under its supplementary family allowance program.

The federal law would provide for certain minimum standards along the lines referred to above that would need to be met by any provincial plan before modifications would be made by the federal government in the family allowance payments in that province. The intent would be that where the income of the parents was equal to or below the income tax exemptions provided for in the federal income tax law, the family allowance payments to that family in respect of its eligible children would have to be at a level equal to at least 80 per cent of the maximum payments provided for in the federal family allowances legislation. For parents whose incomes were high enough to make them subject to income tax payments, the provincial governments would be free to determine the level of benefits payable. To make this condition meaningful in a plan available to all provinces, and also to have an arrangement that would be administratively feasible, the federal definition of income would have to be used for the purpose of federal payments. This would not, of course, be necessary for provincial payments under any supplementary provincial program and would not in any way interfere with them. The definition of residence in any modified plan designed in accordance with provincial legislation could be less but not more restrictive than in the federal law.

In the administration of the basic family allowance benefit the federal government intends that the cheques it sends out in payment of such benefits would initially be based on the income statements made by families, but these would be subject to eventual verification against the income tax records of the Department of National Revenue. The results of this matching process would be made available to the agency administering the provincial supplementary program. Even though the two administrations might send their separate cheques, there could, even with separate administration, be a high degree of consolidation of operations, including the filing of application forms, matching of information and other

matters of that kind. Alternatively, the federal government would be prepared to administer a single integrated program, based on the federal definition of income for federal payments, but using additional relevant information about family incomes from a province. In either case, literature describing the program would indicate clearly that the plan operative in your province had been designed in accordance with provincial legislation, and there would be, of course, recognition of provincial financial participation.

This approach offers an opportunity to rationalize the present arrangements with respect to Youth Allowances. The federal government is prepared to ensure an integrated basic plan for all children under 18 in line with the Quebec design. This would be on the understanding that the province, in view of the current three-point tax abatement which would continue to apply, would pay to the federal government an amount equal to the cost of the federal FISP program in respect of the 16 and 17 year olds in Quebec. The tax points would yield Quebec an amount in excess of this payment and the federal government would recover this excess from other amounts payable to the province.

The proposed Quebec legislation recently made public makes provision for additional amounts of benefits for larger families. It may be that Quebec will want to provide this type of benefit as a supplementary provincial payment. If so, the federal administration would assist the provincial administrative agency by making available information from the basic plan. The province would have to decide how much of its resources, if any, it would put in the basic benefit as compared to the supplementary benefit. If, however, Quebec were prepared to include all its expenditures for this purpose as a part of the payments being made under the basic benefit the federal government would, as I have said, be prepared to contemplate an integrated administration with the same conditions as those mentioned above.

Provision would need to be made in the federal and the provincial laws for an agreement between the two governments. The basic concept would be that, in any plan as modified to accord with provincial wishes, the cost to the federal government of total payments in the province would not exceed the cost to it under the family allowance plan as passed by Parliament. To ensure this, the agreement with the province would have to include an obligation to make adjustment payments to the federal government for any extra costs incurred under the provincially-modified plan which turned out to be over and above what the expenditures would have been if the basic federal plan had been operative in that province. The agreement would also have to make clear that if actual payments to people under the provincial formula fell short of expenditures that would have been made under the federal formula, the funds representing the difference would not be made payable to the provincial government. It would cover as well the undertaking to identify the nature of provincial participation in federal literature about the program. It would also deal with the question of exchange of information between federal and provincial administrations, and with the amount of notice needed to implement any changes in the provincial formula. These and other financial and administrative matters would be incorporated in the agreement.

The federal government feels that the general outline of a possible arrangement is now sufficiently clear that it is prepared to discuss it with all provinces. Similar letters to this one are therefore being sent to all First Ministers. The federal government plans to proceed with the Family Income Security Plan legislation at the current Session of Parliament. The Bill soon to be introduced will not, of course, include provision for the kind of flexibility and adaptation to which I have referred. If, however, it seems desirable, after consultation with the provinces, the federal government would be prepared to recommend to Parliament the amendment of the Bill, at the appropriate stage, in a manner to permit the plan described here to be implemented.

As you will appreciate, what is contemplated here is a major adjustment in the federal approach to an important income security payment established by Parliament more than twenty-five years ago. It would introduce a degree of flexibility in relation to provincial conditions that has been hitherto unknown. It would permit provinces that so wished to move toward an integrated system of family allowances within their boundaries, while still maintaining certain general standards for payments to poorer families. I think the plan would meet the basic requirements necessary for the government of Quebec to establish the integrated system of family allowances that it wishes to introduce. I realize that such arrangements would be as temporary as any statute. But if a constitutional guarantee were needed, this could be contemplated as indicated in the next paragraph.

While the immediate federal proposal relates to the family allowance program, the principles involved are clearly capable of extension to other income support programs. Extension to such other areas would involve complications in making generalized provisions about the degree of provincial participation, minimum standards, the relationship between programs and other matters of that kind. While the difficulties are considerable, the federal government would be prepared to consider this kind of extension of the principles I am proposing if a satisfactory constitutional basis can be found and if it solved the problem of social security which remained to be cleared up to permit further progress in the process of constitutional review.

As the arrangement I am proposing is a matter of public interest and of importance to Parliament, I am planning to table this letter in the House of Commons on Monday and to make it public at that time.

Yours sincerely

P. E. Trudeau

APPENDIX "B"

(*See p. 139*)

LETTER FROM PRIME MINISTER OF CANADA TO PROVINCIAL PREMIERS REGARDING FAMILY ALLOWANCES, MANPOWER CENTRES AND ADULT OCCUPATIONAL TRAINING

Ottawa,
March 9, 1972

My dear Prime Minister:

During the Victoria Conference last June First Ministers spent considerable time examining the possibility of including in the Constitutional Charter some provision under which it would be possible for a provincial government to cause the pattern of federal income security payments to individuals in the province to be capable of adjustment in relation to provincial law. The objective of such adjustment would be to ensure that the combined effect of federal and provincial programs could best meet what the province deemed to be the particular needs of the people living within it. The discussions centred particularly on the Quebec desire to integrate programs of this type, with special emphasis on the federal and provincial programs of family allowances. We attempted to meet this objective by providing for a possible amendment to Section 94A of the BNA Act. As you know, following the Conference at Victoria, the Government of Quebec decided that it could not accept the approach on income security included in the Victoria Charter.

Early in September, Mr. Bourassa suggested to me that the best course would be to explore in some depth the possibility of meeting these needs through administrative arrangements or through laws which might be passed by the federal Parliament and provincial legislatures. Since that time, informal discussions of officials have been going forward and have covered family allowances and also the questions of manpower centres and occupational training allowances. Throughout these discussions the federal government has, of course, had in mind that any arrangements which might appear feasible would have to be the subject of discussion with all provincial governments and would have to be equally available to all.

On the question of manpower centres and occupational training allowances, we are still in the process of examining the ideas brought forward by provincial governments during discussions on various aspects of this question which have been going on over the past year or two. We are also considering the recent representations received from Manitoba, Saskatchewan and Alberta. We are hopeful that, as a result of these studies and of further discussions with the provinces, it may be possible to arrive at conclusions satisfactory to all concerned.

In the case of family allowances, however, the federal government is now prepared to indicate the nature of a modification it would be ready to make in respect of the application of the federal Family Income Security Plan. The basic principles would, if adopted, provide for the adjustment of the federal family allowance plan to a program of allowances adopted by a provincial legislature. Acceptance of a plan along these lines would represent, as you will appreciate, a very important change so far as the federal government is concerned. For the first time, a federally-financed and administered program legislated by Parliament, would be subject to modification to accord with a provincial program even though the amount of financial participation by the province would be small in comparison with that of the federal government. In considering the matter, the federal government has, as I have mentioned, envisaged an arrangement that would be capable of adoption by all provinces and this requires that the arrangements be such that they would be administratively possible even if ten variations of applications were to emerge. It also means that certain conditions have to be laid down. The Government of Canada is thus prepared to propose the following plan.

Where the federal Parliament and a provincial legislature have each established a scheme for the payment of family allowances and the provincial law relating to such a scheme seeks to ensure an integrated system of allowances within the province, provision will be made for the federal scheme to be modified by a federal-provincial agreement so that the amount of monthly benefits, the levels of income at which the reduction of full benefits commences and the rates of reduction to be applied will accord with the standards of the provincial scheme. This will mean that the provincial legislation, within the ambit of certain limits related to national standards, will determine the design of the federal program operative in the province. It is proposed that such an option should be open to a province where the provincial expenditures on these allowances, apart from any funds raised by the province through tax abatement provisions, is at least 15 per cent of combined expenditures on family allowances by the two governments. This would enable the province to ensure that the federally-administered payments under the basic plan are co-ordinated with the provincially-administered payments provided by the province under its own supplementary family allowance program.

The federal law would provide for certain minimum standards along the lines referred to above that would need to be met by any provincial plan before modifications would be made by the federal government in the

family allowance payments in that province. The intent would be that where the income of the parents was equal to or below the income tax exemptions provided for in the federal income tax, the family allowance payments to that family in respect of its eligible children would have to be at a level equal to at least 80 per cent of the maximum payments provided for in the federal family allowances legislation. For parents whose incomes were high enough to make them subject to income tax payments, the provincial governments would be free to determine the level of benefits payable. To make this condition meaningful in a plan available to all provinces, and also to have an arrangement that would be administratively feasible, the federal definition of income would have to be used for the purpose of federal payments. This would not, of course, be necessary for provincial payments under any supplementary provincial program and would not in any way interfere with them. The definition of residence in any modified plan designed in accordance with provincial legislation could be less but not more restrictive than in the federal law.

In the administration of the basic family allowance benefit the federal government intends that the cheques it sends out in payment of such benefits would initially be based on the income statements made by families, but these would be subject to eventual verification against the income tax records of the Department of National Revenue. The results of this matching process would be made available to the agency administering the provincial supplementary program. Even though the two administrations might send their separate cheques, there could, even with separate administration, be a high degree of consolidation of operations, including the filing of application forms, matching of information and other matters of that kind. Alternatively, the federal government would be prepared to administer a single integrated program, based on the federal definition of income for federal payments, but using additional relevant information about family incomes from a province. In either case, literature describing the program would indicate clearly that the plan operative in the province had been designed in accordance with provincial legislation, and there would be, of course, recognition of provincial financial participation.

Provision would need to be made in the federal and the provincial laws for an agreement between the two governments. The basic concept would be that, in any plan as modified to accord with provincial wishes, the cost to the federal government of total payments in the province would not exceed the cost to it under the family allowance plan as passed by Parliament. To ensure this, the agreement with the province would have to include an obligation to make adjustment payments to the federal government for any extra costs incurred under the provincially-modified plan which turned out to be over and above what the expenditures would have been if the basic federal plan had been operative in that province. The agreement would also have to make clear that if actual payments to people under the provincial formula fell short of expenditures that would have been made under the federal formula, the funds representing the difference would not be made payable to the provincial government. It would cover as well the undertaking to identify the nature of provincial participation in federal literature about the program. It would also deal with the question of exchange of information between federal and provincial administrations, and with the amount of notice needed to implement any changes in the provincial formula. These and other financial and administrative matters would be incorporated in the agreement.

The federal government plans to proceed with its Family Income Security Plan legislation at the current Session of Parliament. The Bill as first introduced will not, of course, include provision for the kind of flexibility and adaptation to which I have referred. If, however, it seems desirable, after consultation with the provinces, the federal government would be prepared to recommend to Parliament the amendment of the Bill, at the appropriate stage, in a manner to permit it to be implemented.

As you will appreciate, what is contemplated here is a major adjustment in the federal approach to an important income security payment established by Parliament more than twenty-five years ago. It would introduce a degree of flexibility in relation to provincial conditions that has been hitherto unknown. It would permit provinces that so wished to move toward an integrated system of family allowances within their boundaries, while still maintaining certain general standards for payments to poorer families. I realize that such arrangements, if based solely upon revised federal legislation, would be as temporary as any statute. The federal government would, however, be prepared to contemplate a constitutional guarantee if this seemed desirable.

Moreover, while the immediate federal proposal relates to the family allowance program, the principles involved are clearly capable of extension to other income support programs. Extension to such other areas would involve complications in making generalized provisions about the degree of provincial participation, minimum standards, the relationship between programs and other

matters of that kind. While the difficulties are considerable, the federal government would be prepared to consider this kind of extension of the principles I am proposing if a satisfactory constitutional basis can be found and if it solved the problem of social security which remained to be cleared up to permit further progress in the process of constitutional review.

As the arrangement I am proposing is a matter of public interest and of importance to Parliament, I am planning to table this letter in the House of Commons on Monday and to make it public at that time.

Yours sincerely

P. E. Trudeau

THE SENATE

Thursday, March 16, 1972

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

HON. AZELLUS DENIS

FELICITATIONS ON RETURN TO CHAMBER

Hon. Paul Martin: Honourable senators, when Senator Denis came into the chamber yesterday, I intended to notice his return but he left before I had an opportunity to do so.

[*Translation*]

I want to tell him now that we are all very happy to see him back. He has been seriously ill, but we rejoice in seeing him with us now, in good health and ready to do a lot of work here in the Senate.

[*English*]

HON. A. HAMILTON McDONALD

BIRTHDAY FELICITATIONS

Hon. Paul Martin: Honourable senators, while I am in a congratulatory mood, I should like to extend congratulations to Senator McDonald, who, as almost a full-blooded Scotsman, celebrates his birthday on March 16.

If anyone else has a birthday and wishes to let me know in time, I will mention it as well.

Hon. John M. Macdonald: I think I should inform honourable senators that the birthday congratulations just extended by the Leader of the Government were to Honourable A. H. McDonald and not to J. M. Macdonald.

Hon. Mr. Martin: There is no question as to which of the two is the younger.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Department of Transport containing a Statement of Wharf Revenue Receipts and a Statement of Harbour Dues for the fiscal year ended March 31, 1971, pursuant to sections 14 and 18 of the Government Harbours and Piers Act, chapter G-9, R.S.C., 1970. (English text).

Report of exemptions authorized by the Minister of Transport under section 134 of the Canada Shipping Act in cases where no master or officer was available with required certificate and experience, for the year ended December 31, 1971, pursuant to section 134(2) of the said Act, chapter S-9, R.S.C., 1970. (English text).

Second Revised Capital Budget of Central Mortgage and Housing Corporation for the year ended December 31, 1971, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, as approved by Order in Council P.C. 1972-450, dated March 7, 1972.

• (1400)

CONSTITUTION OF CANADA

SPECIAL JOINT COMMITTEE—FINAL REPORT TABLED

Hon. Gildas L. Molgat tabled the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, and moved that it be placed on the Orders of the Day for consideration on Tuesday, March 21, 1972.

Motion agreed to.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 21, at 8 o'clock in the evening.

Motion agreed to.

• (1410)

BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

Hon. John M. Macdonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator Welch be substituted for that of the honourable Senator Phillips on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

AGRICULTURE

DESIRABILITY OF ESTABLISHING STANDING SENATE COMMITTEE—MOTION IN AMENDMENT—SPEAKER'S RULING ON POINT OF ORDER

The Hon. the Speaker *pro tem*: Honourable senators, on Tuesday, March 7 the honourable Senator Argue, pursuant to notice, moved as follows:

That in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said committee by the Senate.

On Tuesday, March 14, in amendment, the honourable Senator Lafond moved that Senator Argue's motion be amended to read as follows:

That in the opinion of this house it is desirable, in the interest of both eastern and western agriculture and of consumers generally, to establish a Standing Senate Committee on Agriculture and Consumer Affairs to consider legislation and other matters of

concern to agriculture and to consumers that may be referred to the said committee by the Senate.

The honourable Leader of the Opposition (Hon. Mr. Flynn) then rose on a point of order on the ground that the amendment "brings in something which is outside the purport of the main motion" and that it should not be entertained.

I am grateful to the honourable senators who spoke on the point of order. In my opinion, the motion as amended is substantially different from the motion of which due notice was given. It can only be introduced as a separate and distinct motion after notice. The proposed standing committee would have substantially different and considerably broader terms of reference if the amendment to the motion were adopted in its present form.

In so stating, I am not expressing any view as to the wisdom or desirability of the expanded committee proposed in the amendment. That decision would be for the Senate itself if the question were properly before it. The difficulty is procedural only.

I refer to the precedent of February 27, 1961, in the House of Commons, when the then Deputy Speaker ruled an amendment out of order on the ground that it "would widen the powers of the committee and would extend the scope of the matters to be considered by the committee," and that this was an attempt to "introduce a substantive question which could be raised only after due notice." The Deputy Speaker on that occasion was Jacques Flynn, M.P., and his ruling was sustained on appeal to the house.

May I refer also to a ruling by Mr. Speaker Michener on December 7, 1962. A motion was then under consideration, of which notice had been given, for the establishment of a special committee to consider, *inter alia*, the "use of drugs". To this Paul Martin, M.P., moved in amendment that the words "and cost" be added after the word "use".

Mr. Speaker Michener in his decision said:

> On the matter of whether this amendment can be received at all, I would draw honourable members' attention to Beauchesne's Fourth Edition, citation 291, which reads as follows: "When the House is considering a motion, of which notice has been given, for the appointment of a select committee, a member cannot move in amendment that the committee be given wider powers than those which were set down in the notice."

And further on he added:

> I could give the honourable member many more citations and rulings by Speakers. There is one by Mr. Speaker Macdonald which appears in Journals for April 4, 1951, page 243. He ruled that "an amendment cannot be moved giving the committee wider powers than those which were set out in the Notice of Motion."

The present amendment, which would add "consumer affairs" to "agriculture" as part of the terms of reference of the proposed committee, represents in my opinion a more extreme case than any of those I have cited. It would substantially widen the powers of the proposed committee, and for these reasons I have reached the conclusion that Senator Flynn's objection is well taken and I declare the amendment out of order.

[The Hon. the Speaker.]

Hon. Mr. Choquette: It was a sure bet!

MAIN MOTION—DEBATE RESUMED

The Senate resumed from Tuesday, March 14, the adjourned debate on the motion of Hon. Mr. Argue, that in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said committee by the Senate.

Hon. Hervé J. Michaud: Honourable senators, the motion which is now before this house proposing the establishment of a standing committee on agriculture, is one which deserves serious consideration. I wish to state at this time that I endorse wholeheartedly what has been said in support of that motion, by the mover, Senator Argue, and the seconder, Senator Lafond. Senator Argue in the course of his remarks in this house on March 10 stressed the point that agriculture, in Canada, is still of major importance. In that respect, it would seem appropriate to quote the words recently uttered by John Moles, General Manager of the Royal Winter Fair, regarding agriculture:

• (1420)

> How many realize that there is more horsepower employed on Canadian farms than in Canadian industry, that farmers purchase nearly 30 per cent of the fuel requirements in Canada, and nearly 40 per cent of the tires and a similar percentage of iron and steel? How many realize that agri-business, meaning the total sector employed in food production, transportation and marketing, together with those industrial complexes engaged in the manufacture of chemicals for farm use, employ about 35 per cent of the total Canadian labor force? In other words, one family in three derives all or part of its income from agriculture.

Yet, as emphasized by Senator Argue, Canadian agriculture is confronted by many major problems. Most of these, undoubtedly, stem from the fact that much of the poverty which exists in Canada is located in rural areas. Data recently published by ARDA reveal some of the ugly aspects of poverty in agricultural areas of Canada.

In order to establish the level of well-being of the population, ARDA applied in various rural census divisions in Canada what it termed "social and economic indicators." Those indicators, five in number, provided the following information: First, there were 39 rural census divisions in which more than 20 per cent of the population were functionally illiterate. Second, there were 24 census divisions in which more than 20 per cent of the labour force were unemployed. Third, there were 13 census divisions in which 40 per cent or more of those working on farms, including farm owners, were earning less than $2,500 a year. Fourth, there were 41 census divisions in which over 50 per cent of wage earners working in small villages were earning less than $3,000 a year. Fifth, there were two census divisions—and this is of special significance to me—in which over 50 per cent of wage earners in towns of

1,000 people or more were earning less than $2,000 per year. Kent County, New Brunswick was one of the two counties involved.

In passing, it is with reluctance that I must indicate that not only did Kent County figure in the results ensuing from the application of this fifth indicator, but it was also one of the few census divisions in Canada which came within the criteria of poverty as set out in all five social and economic indicators applied by ARDA, as indicated above.

The special problems facing agriculture across the country commend themselves to consideration by a Senate committee on agriculture before which evidence could be given by all authorities.

[*Translation*]

Nowadays, the participation of those concerned is, in all instances, recognized as the best means of reaching a solution in any difficult situation. Within the rural community, this participation has prevailed for years thanks to the co-operatives. Commandeur Alphonse Desjardins, the great promoter of the co-operative movement as represented by our caisses populaires, stated as early as 1910:

> Ever-increasing centralization is now leading us towards social unrest and unemployment. Capital is tapped from small industrial centres and rural communities and funnelled into larger centres. In a few years from now, when the smaller communities and rural areas have been financially drained, they will then lose their human resources. Then we will have overcrowded cities, unemployment, social unrest.

Isn't that what happened? Governments, both federal and provincial, and this also applies to the Senate, must therefore be prepared to support the efforts of the farmers of Canada even more vigorously than in the past, in their co-operative efforts to solve their many problems.

Moreover, the Prime Minister of Canada, the Right Honourable Mr. Trudeau, when addressing the Coopérative Fédérée de Québec in Montreal on February 1972, expressed himself as follows:

> The representative nature of the co-operative is undeniable. The founders of your movement and their successors were aware that co-operation conformed to a Quebec tradition of mutual aid and community initiative. Your movement has characteristics that are highly esteemed. Community concern for the individual is one. As members of a co-operative, your first regard is for justice towards others, thus your greatest strength is a moral one. The co-operative movement may also be identified with the democratic ideal of participation.

The required effort must be made by all, to restore to agriculture its fitting role in the country's economy. The farmer has too long been abandoned, left to face on his own competition and exploitation. This must be remedied through better planning both of production of farm products and in their marketing in every aspect. A standing committee on agriculture, such as Senator Argue has proposed, would assist members of the Senate in the development of the programs which are imperative in this field.

[*English*]

• (1430)

More and more, in the years that lie ahead, efforts will have to be made to ensure a better economic balance between the rural and the urban populations of the country. As stated by the Right Reverend H. L. Nutter, Bishop of Fredericton, at a meeting of the United Appeal on February 16, 1962:

> People generally should realize that the individual is still of ultimate importance in our society ... that society has a responsibility to the individual ... and that there must be a responsible use of both physical and human resources.

Bishop Nutter added:

> If the present values of education are maintained we will be laying the seeds of destruction of our social system. Children should be trained for entry into a different kind of life ... not just training them to get a job.

Then in November 1971 Mr. Harvey Scott of the Maritime Cooperative Services, speaking to delegates at the annual meeting of the New Brunswick Federation of Agriculture, had this to say:

> People involved in agriculture will require the support of the agri-business community, the governments and the public at large to mount the necessary supply-marketing programs ... The general public must come to realize that agriculture is the nation's greatest industry. Agri-business has proved to be the nation's greatest source of wealth ... However, the farmer has not shared in the benefits of his improved efficiency to anything like the same degree as a non-farm person ... This disparity in benefits is a major social and economic dilemma today, creating an inequity that cannot continue in a just society ... Co-operatives can help provide the farmer with the muscle and information he needs to make economic production decisions and general trade policies.

In the course of this process, honourable senators, the farmer's need for information has never been more urgent. As noted in the *Globe and Mail* of May 20, 1971, under the caption "Report and Business":

> Farmer's business has grown much more complex, and to keep pace with the fast-changing agricultural industry he must have all the production and marketing advice he can get.
>
> Governments, universities and commercial supply companies are constantly developing new products, production practices and marketing techniques, but there is increasing evidence that much of the information they generate is not filtering back to farmers.

The report continues:

> Much of this information is carried by the farm press, radio and television, and studies in both the United States and Canada show that farmers most often hear about a new practice from the mass media. But when it comes to adopting that practice, it is a different story. At that point the farmer wants detailed information from a personal source such as a

neighbour, a government extension man, or a local elevator agent.

All this can be achieved in one way only, and that is by more personal contacts between farmers and government representatives, legislators, extension service men, all of whom, in the past, have not maintained sufficient contacts with the farming population, as pointed out in that report in the *Globe and Mail*. In agriculture, as in every other field of human activity, greater emphasis in the matter of personal human relationship has therefore become a prerequisite to any successful endeavour. In this respect, as everywhere else, "participation" has become the password to all meaningful contribution. A Senate committee on agriculture, such as is proposed at this time, would facilitate that participation on the part of the members of the Senate in the agricultural sector of the Canadian economy.

[*Translation*]

Honourable senators, in addition to the reasons brought forward in support of setting up a standing committee on agriculture, I should like to mention another measure of prime importance in that regard, precisely because of the considerable impact it would have on the future of agriculture in Canada. As you may have guessed, I refer to the small farms development program as announced by the Minister of Agriculture, Mr. H. A. Olson. In this connection, let us hear once again what the Prime Minister, the Right Honourable Mr. Trudeau, had to say on February 2, 1972 in his speech to the Coopérative Fédérée de Québec. I quote:

> When we formed the government, we faced another major problem, that of the transformation of rural society, based in the past on the small farm concept. The fact is that the small farm, even with mechanization, is becoming less and less profitable. Technology and irresistible economic pressures demand land areas much larger than those that supported the old-time farmer. Lacking capital (which he needs more than manpower), the farmer is often unable to adapt to the system; isolated and reduced to poverty, he must, in spite of his deep love for the land, sell it on unfavourable terms and move to an urban environment for which he is unprepared. The rural exodus too often involves farmers who feel a deep sense of tragedy in having to quit their land. These are unhappy experiences that can be avoided.
>
> The first aim of our small farms development program announced in December is to give small farmers who want to remain on the farm the means to develop a profitable enterprise. From the outset, it is obvious that our policy greatly favours the family unit, the best way in most cases to operate a farm. Family operation is readily adaptable to farm industrialization; it lends itself well to different forms of co-operation. For example, the co-operative movement possesses an economic efficiency comparable to corporate farming enterprises. Even if some concentrations are inevitable in the farm sector, fortunately agriculture is capable of maintaining its innate humanity without sacrificing production. We consider this unique quality of the agricultural community a valuable asset, an important element of social stability and a great cultural advantage. On the other hand, many farmers want to leave the land and others, the victims of merciless selection, are forced to leave, however regrettable that may be. It is impossible to stop the rural exodus completely but, in so far as it is inevitable, it can be made more humane; that is a complementary objective of the small farms development program. Under this program, persons forced to sell will sell to their advantage enabling them to retire with self-respect and, if they so desire, to keep a parcel of land and their home. Furthermore, it will be possible to use the property acquired under the program to set up reserves of desirable farmland which can be used to enlarge small family holdings and establish them on a firmer footing. In this way considerable stretches of land can be returned to their proper use. This program is a significant step towards furthering social justice.

The Senate must, therefore, take the necessary steps in order to play a primary role in the new orientation to be given Canadian agriculture. The Senate cannot play that role without endowing itself with the required tools. A Senate committee, along the lines suggested by Senator Argue, would provide those tools. I am therefore happy to support the motion of Senator Argue.

[*English*]

On motion of Hon. Mr. McDonald, debate adjourned.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO EXAMINE AND REPORT ON CANADIAN RELATIONS WITH EXPANDED EUROPEAN COMMUNITIES

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aird that the Standing Senate Committee on Foreign Affairs be authorized to examine and report on Canadian relations with the expanded European Communities.

Hon. Allister Grosart: Honourable senators, I think there will be general agreement that Senator Aird's motion is both logical and timely. Senator Aird, Senator Connolly and Senator O'Leary have put before you the broad facts and figures that indicate the dimensions of the market involved as well as some of the problems associated with it. Those facts and figures speak for themselves.

In its last two inquiries the Standing Senate Committee on Foreign Affairs looked first to the south, making a report on our relations with the Caribbean, and then to the west, examining our relationships with the countries of the Pacific rim. The report on the Pacific rim is now in the hands of the printers and will, I believe, be presented for your consideration next week.

Senator Aird's motion now suggests that we look to the east in order to consider Canada's relationships with a large trading block of some 50 nations situated across the Atlantic. I imagine that in due course we will turn our attention as well to the north to consider our relationship with Russia. No doubt we will carry on some of the contacts already so well made by honourable senators under the auspices of, and in accordance with the

arrangements made by His Honour, Speaker Deschatelets. Perhaps also in due course we will look again to the south in the hope of examining from our point of view our relationships with the United States, thereby carrying on and complementing the very fine work performed by many of our colleagues who are members of the Canadian-American group.

It is a truism to say that all of these studies are indications of the fact that Canadians today are becoming outward looking as never before in the history of this country. It is equally true to say that we have become outward looking because we have no alternative. There is no alternative in a world characterized above all else by rapid change. Today there is rapid change in trading relations and there is rapid change in the economic sphere, the social sphere and the technological sphere.

The enlarged or expanded European Common Market is very much a part of that rapid change. The Common Market is a very different structure from what it used to be, and its impact on Canada is very different from what it was according to the original conception of that market.

We used to think of the market in terms of the original six countries which got together to form it. Now, with the almost immediate entry of the United Kingdom, Ireland, Denmark and Norway, some people speak of it today as the "ten." But I suggest that this would be a misnomer, and completely inadequate to indicate the real size and importance of the so-called European Common Market, because, as I said a moment ago, it involves at least 50 nations. The Common Market is on the point of completing special trading arrangements with the four remaining members of the European Free Trade Association. Moreover, it has also established as associates in the community some 36 other nations found largely in the Mediterranean area and in Africa.

• (1450)

This new, enlarged market will account for about one-quarter of the total trade of the world. The implications to Canada, to whom export trade access to the markets of the world is more vital than it is to any other country, are obvious. They are even more so when we recall the alarming fact that Canada is the only industrialized country in the world that will not have automatic free access to a domestic consumer market of at least 100 million people. The United States, the Soviet Union, Japan, even India and China have such domestic markets. These 50 other nations have created their own market of much more than 100 million people. So, Canada stands alone and isolated in the world. The question is: What are we going to do about it? This is one part of the larger question that I believe the committee, if the Senate approves, will be studying and, it is hoped, to which the committee will find answers.

It is not my intention to attempt to anticipate the answers that the committee might find to some of these questions, but even a superficial study of the matter before us in this motion raises some interesting, bewildering and almost terrifying questions. The first, the most obvious and perhaps the simplest is how are we going to adjust to the entry of the United Kingdom into the European Common Market. It seems to me that concern in Canada today is less agitated than it was six years ago when the entry of the United Kingdom into the market seemed imminent. There are several reasons for that. One, of course, as has been mentioned, is that during the sixties our exports to the United Kingdom market dropped drastically from 17 per cent of our export dollar volume to less than 10 per cent today. Our exports to the European Community generally have increased, and it is now our third market. But one of the problems we face, of course, is that our track record in that market has been very, very disappointing. It is true that we have increased our exports to that market, but the percentage of increase has not grown at anything like the comparative rate of growth of the market itself.

So, honourable senators, we have to ask ourselves why. Why have we fallen behind in this as in so many other markets of the world? We have to ask ourselves seriously where the fault lies. Does it lie with public policy? Have we had the wrong trade policies? Have we had the wrong foreign policies, the wrong tariff policies, the wrong competition policies or the wrong labour policies? We don't know.

Does the fault lie with the private sector? Have we had a lack of entrepreneurship, a lack of enterprise on world markets on the part of Canadian firms? I would say that the evidence already given to some of our committees, and I have in mind our Science Policy Committee as well as other committees, would seem to indicate clearly that we are away behind the rest of the world in our private sector entrepreneurship. The reason generally given is that our industries have grown up behind a protective wall, that we have become lazy and that we have lacked initiative and lacked the innovative marketing skills which other nations have developed so spectacularly. I feel we have to look to both the private and the public sectors if we are to find the answers necessary for coming to grips with the problems raised by the enlargement of this market.

Another kind of question that will probably face the committee is whether Britain's entry into the EEC may not of itself be a good thing from the Canadian point of view. Britain with its long traditions and understanding of the universal benefits of free trade would, we hope, bring to the policies, structures and programs of that market a more outward-looking philosophy of trade and other relationships than it has had to date. There have been some encouraging signs in policy developments of the market in the last few years with the result that the market is today rather less inward looking than it was a few years ago. A factor which tends to support that is the expansion of relationships with countries not fully members of the market.

The question is raised too as to whether we may not have here an interesting repetition of part of our history. We all remember that one of the anomalies of our economic history was the fact that we legislated what were obviously anti-American protective policies. I am now referring to the general raising of a protective tariff wall which American enterprise very skillfully turned to its own advantage. We raised a wall to try to keep American industry out of Canada, but the Americans came in behind that wall and behind the Commonwealth preferential wall and established subsidiary plants, and at the

same time satisfied one of their basic requirements which was for a continuing supply of raw material. They killed two birds with one stone and turned a very difficult and disadvantageous situation into one that has benefited them to the extent that they have now taken over a large part of our economy. One wonders whether with some enterprise we could not repeat that to our own advantage in the European Market. Perhaps the committee should look at this possibility. It will certainly be drawn to their attention. They could look at the possibility of Canadian business firms establishing plants and subsidiaries in the United Kingdom, getting in behind the wall and obtaining a convenient kind of entry to that market, just as the Americans were able by their enterprise—and no one can blame them—to gain access to our market and to the Commonwealth market generally.

However, honourable senators, there are some silver linings to the clouds. The impact of the United Kingdom entry in terms of production and Canadian jobs is not quite as serious as it appeared to be on first analysis six or seven years ago. It is true that up until Britain's entry into the market, some 94 per cent of our products entered the United Kingdom free, and this will probably drop to something like 36 per cent. Unfortunately, some of these products are in highly sensitive economic areas. The latest estimate I have seen is that the community's Common Economic Tariff (CET) and Common Agricultural Policy (CAP) will, in one way or another, still affect to some extent about 70 per cent of our product exports to the United Kingdom market.

• (1500)

However, as I have said, there are some silver linings. For example, our wheat exports will not be completely affected because, fortunately, the British housewife has developed a taste for bread made from hard wheat flour. Apparently it is not possible to grow this hard wheat in any of the EEC countries. So long as the British prefer toast and marmalade for breakfast, the chances are that our wheat exports will not be gravely affected, at least not immediately.

When we look at the problem of our trade isolation, we certainly have to ask ourselves: Can we survive? Can we continue in this isolation? Can we be an industrial nation without free and automatic access to a market of more than twenty million people? If we cannot, what are the alternatives? I should imagine this will come to the attention of our committee as we examine our relationship with the EEC countries. We will find perhaps patterns of economic union to which we may have to give serious consideration.

We shall have to ask ourselves whether we should now be thinking of negotiating special trade arrangements such as those enjoyed by the EFTA countries. If we do not have special trade arrangements such as this, are we going to be able to penetrate this huge market which is one-quarter of the world market? We shall have to look at the course that has been taken by the 36 other nations which have indicated their intention to be associate members. We shall have to ask ourselves if this is the course we may have to follow? Some of the Commonwealth countries have already taken this course. It is not always realized that some of the associate nations in the EEC are Commonwealth countries.

We shall also have to look at more terrifying alternatives. The most terrifying, from the point of view of future world trade, is the threatened trade polarity between the EEC countries and the United States, the two great trading blocs that are possibly on the verge of all-out trade war. On which side shall we be, or shall we be on any side? Shall we be the traditional innocent bystander who gets hurt more than either of the belligerents? Should we look to the western hemisphere bloc if it develops—and it may. Again, where do we stand?

One of my distinguished colleagues called attention to the great British tradition of splendid isolation. I think it was Sir George Foster who originally used this phrase. It is, of course, a very glorious page in Britain's history. However, it is doubtful that splendid isolation in the trading world as we know it today and which we shall face in the next few years would rate a similar glorious page in our history. We may find ourselves with no other alternative but to say there is going to be a western hemisphere bloc which will be largely dominated by the United States and we had better join them because we cannot lick them.

Honourable senators, these are some of the global questions, apart from the nuts and bolts of product by product figures that I am sure our committee will have to look into. I respectfully suggest that this is a thoroughly appropriate inquiry for a parliamentary committee. When we examine the evidence which exists around the world today, and if that evidence means anything to us, the answers will be found in new, imaginative, and innovative public policies. I hope I shall not be accused of being partisan when I say that at the present we do not have that kind of innovative, imaginative trade policy which in any way matches similar trade policies of other countries. We do not have the kind of answers to these problems which have been developed in Japan, Sweden, or Switzerland.

The time has come for us to stop talking about our small domestic market. It is a joke in Europe; it is a joke in Switzerland; it is a joke in Sweden. These countries are aware that our domestic market is twice the size of theirs, and that we are next door to the most dynamic market in the world. These nations are selling products on that market which we are producing here in Canada, but are not able to compete.

Hon. Mr. Martin: I am sure my honourable friend would not overlook the statistic that 85 per cent of our manufactured goods are sold in the very market about which Senator Grosart is speaking.

Hon. Mr. Grosart: I hope the Leader of the Government will not mind my saying that that is exactly the kind of answer which seems to inhibit those innovative and imaginative policies. It would not matter in the least if we sold 100 per cent of our exported manufactured goods in that market. It would not matter at all. That is not the question. It is a question of the totality of those sales. It is true that of our total sales abroad 85 per cent of the manufactured products exported are sold on the American market.

Hon. Mr. McDonald: And at the highest price.

Hon. Mr. Grosart: It is absolutely meaningless to make that comment because you are speaking of 85 per cent—of what? You are speaking of 85 per cent of an inadequate total of sales abroad.

Hon. Mr. Martin: I was attempting to relate my statement of fact to what Senator Grosart said regarding the sale from Scandinavian countries to the United States, implying that they alone were really pre-empting that market which, of course, is not the case.

• (1510)

Hon. Mr. Grosart: Again, of course, that is not what I said. I did not say they are pre-empting the market. I merely said they are selling products which we produce in Canada in that market, and are not able to sell at the same competitive level.

I started to say, and will repeat, that we do not have the type of government trade policies that have made it possible for those countries with smaller domestic markets than ours to pass us as some of them have, and all of them will soon, even in per capita income. That is the situation. I do not blame any one government. We have been moving into this situation as a result of general public and private sector inertia over a long period of time. It is true that in the last few years there have been some useful initiatives on the part of the government. I am sorry to say that they are ad hoc, unco-ordinated and not as effective as they could be, and on another occasion I will produce facts and figures to support this contention. In fact, one of our committees has produced a rather better answer to this whole problem than the present policy of the government. That, of course, is the function of the committee. No one should take offence if a Senate committee suggests that there can be important changes in government policy. If that be the case and offence is taken at such findings by a committee, then we waste our time appointing the committees.

I wish to stress that the problem which faces us in relation to the European Community is that political decisions have been made by other nations. These political decisions, good from their point of view, have created our problem. I suggest that the committee will find that at least a very large part of the answer will be in matching those decisions with realistic political decisions in Canada. They will have to be courageous decisions, because surely when we look back at the history of the development of the EEC we must be impressed by the courage necessary to bring those nations together after hundreds or thousands of years during which they have been apart and at each other's throat. They have now been brought together in a community. It is a tremendous achievement, a political achievement and I suggest that we must match it with similarly innovative and imaginative public policy decisions on our side.

Honourable senators, for these and other reasons I support Senator Aird's motion. As deputy chairman of the committee I also support his suggestion that the Senate might approve the motion today if no other senator wishes to speak to it. This would enable the committee to proceed with its work immediately, on Tuesday, when I understand the Honourable Mitchell Sharp has consented to give the committee the benefit of his experience and good judgment, which would get our work off to a good start.

Hon. A. Hamilton McDonald: Honourable senators, I rise to take part in this debate for several reasons. Although I am not a member of the Standing Senate Committee on Foreign Affairs, I would certainly like to be but that is not possible at this time.

Hon. Mr. Martin: You can work harder.

Hon. Mr. McDonald: Over the past several years I have had the opportunity of visiting many parts of Europe, especially those within the Common Market and other parts which are now about to join. In view of those experiences and the opportunities I have had to discuss the European Economic Community, both in Canada and abroad, I wish to make a short contribution to this discussion.

I agree with Senator Grosart that the Standing Senate Committee on Foreign Affairs, under the able chairmanship of Senator Aird—and with Senator Grosart himself as deputy chairman—has made a great contribution to Canada and to those parts of the world, namely, the Caribbean and the Pacific rim, in the two studies the committee has already made. No doubt the studies to commence at an early date with respect to our relationships with the European Economic Community will also be of great benefit, not only to Canada but to Europe.

I should like to take this opportunity to congratulate all members of the Standing Senate Committee on Foreign Affairs for the excellent job they have done, and which I expect will continue during the new study.

I was rather surprised when I listened to Senator Grosart today, and, to his seatmate, Senator O'Leary, yesterday. I believe that if they were to read each other's speech they would find the answers to most of the problems they posed. Senator Grosart today informed us of the problems we face in increasing our trade with Europe, or the failures of the Canadian people to take full advantage of the improved market situation in Europe. Yesterday Senator O'Leary answered that question. I refer to his remarks at page 149 of the Senate *Debates* of yesterday, as follows:

> I was astonished to hear Senator Aird, in the course of his speech, supporting the viewpoint we hear so often that Canada must have a countervailing force in Europe against possible absorption, economically and otherwise, by the United States.
>
> Why did we not have this trade with the European Economic Community last year? Why did we not have it the year before? It is said that the United States is forcing Canadians to become hewers of wood and drawers of water. That is not so. The nations that are doing that are in Europe, members of the European Economic Community. In the last three or four years they have purchased practically none of our processed goods. The goods which create jobs for Canadians have gone to the United States—

and so on. This is very true, and one of the reasons that 85 per cent of our trade is with the United States and—

Hon. Mr. Grosart: It is not 85 per cent, but 70 per cent.

Hon. Mr. McDonald: Well, you can argue that. It is not because of tariff protection in Europe. The tariff on manufactured goods in the European Economic Community is lower than that on manufactured goods in the United States and Britain.

• (1520)

One of the reasons why we are unable to sell many of our goods and services to Europe is found in the prevailing economic conditions and the standard of living in Europe, which is extremely low compared to that of Canada, or indeed the North American continent. If we were prepared to sell to Europe, at low prices or in some instances at lower prices, some of the goods and services which are today going to the United States, certainly we could increase our trade. But we have never been inclined to do that, and I do not expect that we ever shall.

If Europe remained a conglomerate of small, independent, poor nations, we would never be able to penetrate that market. But that is not the situation today. Europe is binding herself not only to an economic union but also to a monetary and political union, and I predict the day when the phrase coined by the late Sir Winston Churchill, "The United States of Europe," will become a reality.

Anyone who has had the opportunity of visiting Western Europe since the end of World War II has seen greater growth in that area of the world than perhaps anywhere else. From 1945 to 1965 the gross national product of Western Europe doubled, representing greater growth than in any other area. I am not in possession of up-to-date figures, but I venture to suggest that the GNP of Western Europe has again doubled since 1965, and is today about 50 per cent of that of the United States.

Western Europe has made great progress. The standard of living has increased beyond all hopes and expectations. Wage scales for Western Europe have increased by leaps and bounds. They have almost doubled, and are almost double that of wage scales in Britain.

Senator O'Leary, in the course of his speech yesterday, wondered out loud why so many Britons wanted to join the Common Market. One reason is to increase their standard of living. Since 1945, real wages in Western Europe, taking into account inflation, have increased by an average of 40 per cent. In Britain over the same period real wages have increased by only 20 per cent. In other words, had Britain experienced the same increase as that applying to the continent, the average British worker's weekly earnings would be about five pounds more than he now receives.

Senator O'Leary referred to the fact that Britain's endeavour to join the Common Market had fluctuated over the past several years, that on occasion there was considerable hesitation about whether or not she should join. Finally, Britain reached a conclusion and said—I will use Senator O'Leary's own words—"We will enter the European Common Market or bust. We must get in."

Either Britain joins the Common Market or she will go broke. She has no alternative. Senator Grosart said that Canada was one of the few nations in the world who had access to a market of less than 100 million people. Great Britain has access to a market of only half that number, unless she joins the European Economic Community. I suggest that she cannot survive unless she joins, and I say that she will.

What is happening in Europe today in peacetime is what on two occasions the German empire attempted but failed to do by force. Had Germany been successful in either World War I or World War II, Europe would now be united under her domination. However, I suggest that Germany is accomplishing much the same thing in Europe today, but she is doing it by peaceful means.

Britain fought those two world wars to save herself, and she will enter a united Europe in order to save herself. The day will come in the not too distant future when we shall have not only a trading union in Western Europe but also common monetary and common fiscal policies. Some day there may well be a federal Parliament administering the affairs of Western Europe, and Sir Winston Churchill's prediction of a "United States of Europe" will come true.

What does all this mean to Canada? Some people are of the opinion that Britain's entry into the European Economic Community could be a catastrophe for Canada. I do not believe that. We shall have some short-run problems. The fact that we are a member of the British Commonwealth and have had preferential access to the British market has not in many instances solved our problems. The fact that we are associated with the British Commonwealth has not solved our agricultural problems. Far from it. It has not solved our problems in the pulp industry.

I suggest that once Britain joins the European Economic Community, with the expertise that she can bring to Europe in the management of its economy, its fiscal and monetary policies, together with her expertise in government, the standard of living in Europe will increase to the point where we shall be able to sell to Europe our highly sophisticated and expensive products on a scale never dreamed of.

Senator O'Leary mentioned that last year Canada sold approximately $14 million worth of barley to the United Kingdom. My figures are not quite the same; they show that we sold something in excess of $29 million worth of barley to the United Kingdom.

Hon. Mr. Martin: What is your source?

Hon. Mr. McDonald: My source is the Annual Report of the Canadian Wheat Board. Our sale of barley to Britain could be subject to a tariff if Britain joins the European Economic Community. But how much barley did we sell to Italy last year? We sold more than we sold to the United Kingdom. How much did we sell to Germany? We sold almost the same amount that we sold to the United Kingdom.

I am suggesting that a United Kingdom market of 55 million people for Canadian barley is peanuts when considering a potential market of almost 300 million people. It is access to that market of 300 million people that I am interested in, because our sales to Britain over the years have not been too significant. In the crop year 1950-51 we sold the magnificent sum of 160,000 bushels of barley to Britain. That was the low point. We got up to about 41 million bushels in 1958-59. The moral of the story is that despite the fact that as a member of the British Commonwealth we have preferential tariffs with Britain, when

Britain can buy barley for a lower price from another source, whether inside or outside the British Commonwealth, she will do so. The British are one of the greatest trading peoples on earth. They have lived by their wits for generations, and I suggest to you they will continue to do so. For those reasons I say that we must look to markets where we can sell far in excess of what we sell to Britain.

• (1530)

Honourable senators, I sometimes wonder just where we are heading unless we gain access to world markets which have been closed to us in years gone by. At the end of the 1970-71 crop year, Canada had 233 million bushels of barley in storage. The minister responsible for the Canadian Wheat Board is now telling farmers of western Canada that they should seed about 15 million acres to barley for the next crop year. Each acre yields 50 bushels, so 15 million acres will yield some 750 million bushels. By adding the present carryover of 233 million bushels, you get a total of 983 million bushels. Then subtract about 300 million bushels, which represents the average Canadian consumption for all purposes—human consumption, loss in handling, feeding of livestock. In other words, from a total of 983 million bushels we will dispose of about 300 million bushels in Canada, resulting in a new carryover of about 600 million bushels.

Last year we exported about 172 million bushels of barley to world markets, and this year our exports are running about the same. Overseas clearances on barley as of March 1, 1972, amounted to 94.4 million bushels, and on the same date last year they amounted to 95 million bushels.

If the farmers of western Canada follow the advice of the minister, we will end up with a carryover of something in excess of 500 million bushels of barley by July 31 next. We will not get rid of this by selling $29 million worth to the United Kingdom. We must sell to the masses of the world. Even if we provided Britain with all her barley requirements, it would amount to peanuts when compared to the barley production of Saskatchewan alone.

To repeat what I said earlier, I am convinced that there is only one way that the people of Western Europe can buy goods and services from Canada. They must increase their standard of living to the point where they can afford to pay for the sophisticated and expensive articles produced on this continent. I do not believe we have any alternative today but to search for markets throughout the world. This can be done by making the moves that the government has been making over the last several months in bettering our relations with the People's Republic of China. In other words, we cannot confine our search for markets solely to Western Europe. If we could sell barley to 800 million Chinese, we could use up the huge quantities we are producing and have been producing in western Canada.

We must make every effort to trade with other nations in the world if we are going to survive, but certain Canadian products are more difficult to sell outside the North American market. The reason, of course, is that people in other parts of the world simply do not have sufficient income to afford these items. How many of you when on official visits to Europe have taken the time to ask a secretary working for a foreign government how much money she earns? Have you ever asked how much the local taxi driver earns, or the local shopkeeper, or the small businessman? Their income is less than half that earned by their counterparts in Canada. That being so, they simply cannot afford to buy the sophisticated products we manufacture in this country.

By the same token, how can we increase our trade with countries in Western Europe when in many instances those countries do not produce for export goods that are sought by North Americans? They do not produce these goods because they do not have a home market for them. But all this is changing. The change that has taken place in the last 14 years has been so great that I believe in another 10 to 15 years we will be able to sell to those markets the sophisticated goods and services we are now producing.

For these reasons I fully support the entry of the United Kingdom into the European Common Market. It will be her salvation, and, through her, it will be our salvation. Unless Britain enters, Canada as well as Britain will be in serious trouble.

It is my hope that the committee, as a result of its study of Canada's relations with the expanded European Communities, will make recommendations that will be adopted by our government, recommendations that will help bring about the economic development of Western Europe and hasten the day when Canadians can enter the European Market on a scale never dreamt of, something which has not been possible throughout history but will be in the not too distant future.

Motion agreed to.

HEALTH, WELFARE AND SCIENCE

PROPOSED STUDY BY COMMITTEE OF LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. Eugene A. Forsey: Honourable senators, I rise with some reluctance today, partly because I have been heard far too much, in my opinion, recently, and also because one of our most experienced colleagues said to me the other day in gloomy tones, "You are too wordy." However, in view of the fact that for 27 years I was a trade union official, I felt I could not allow this occasion to pass without saying something. There are not many members of this house who have had similar experience. In fact, I think it is safe to say that the number of trade union officials or ex-trade union officials in this house is pretty small; I should think half a dozen would be a generous estimate. I have not gone through the *Parliamentary Guide* and examined the record in detail, but I think that is a safe statement. I therefore felt that I must say something on the subject.

• (1540)

I propose to be very brief this afternoon and, if I may, to adjourn the debate and add a little something further on some matters of detail next week, on which occasion I promise to be brief also.

I favour this motion. I favour the precise terms of this motion and I should like to emphasize to honourable senators what those precise terms are:

> That the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

I emphasize the words "efficiency," "federal," "settlement" and "public services." I do so because it seems to me that the proposed terms of reference of this inquiry deal with a rather special and limited problem, or series or group of problems.

Certain honourable senators who have spoken on this motion have gone rather farther afield. I should not go so far as to say that they have surveyed mankind from China to Peru, but in my judgment they have certainly gone distinctly beyond the ambit of the precise terms of the motion. I venture to think that in some instances it might have been better if they had adhered more closely to the proposed terms of reference, more especially because some of the speeches, to my mind, suggested some rather strong preconceived ideas on this subject. I think that is perhaps unfortunate.

I liked very much the emphasis, both of the mover and seconder of the motion, on the fact that the motion simply asks for examination and report, and does not undertake, in effect, to tell the committee what it should report. But when it came to some of the speeches—and I think there was a trace of it in Senator Buckwold's speech—there was a little bit of a tendency to do what the late the Honourable Maurice Duplessis did when he appointed the Royal Commission on Constitutional Problems, the Tremblay Commission. The statute providing for the appointment of that commission had a tremendous list of whereases, and by the time the list of whereases was concluded it was perfectly evident that the royal commission in question had been given very precise instructions what its answers were to be.

In some of the speeches made on this subject, whether in the debate on the Address or in the debate on the motion itself, it seemed to me that there was just a tinge of an intention on the part of some of those who spoke to give the committee instructions to come down with a report which would suggest some pretty marked differences from existing legislation. I do not believe that is what the motion says, and I do not think it is what the committee ought to do.

This is an inquiry, if of course the motion passes, which will need to be conducted with great caution and an extraordinary effort at objectivity, partly because we have in this chamber so few people with very much direct experience of the labour movement on the labour side. I suppose I may be guilty myself of some déformation professionnelle, some parti pris, some bias here, resulting from my long association with the labour movement. But I do not think people with that bias are particularly numerous in this chamber. I believe there are certain members who might, with some degree of justice, be considered to have a bias, a déformation professionnelle, a parti pris, on the other side, and I think they are rather more numerous.

I do not wish to subscribe at all to the indiscriminate allegations made in certain quarters that this chamber is made up exclusively of tycoons, big business people, representatives of big interests and that kind of thing. I do say, however, that certain employing interests are, on the whole, better represented here than the interests on the opposite side, and that is why it seems to me we should observe especial caution and make a particular effort to have a very objective, careful, thorough examination of this whole subject that is suggested for examination by the committee.

We should be particularly careful about listening, really listening. I remember when I was running for the City Council in Montreal, nearly everybody started his remarks with the word "Listen," and practically nobody ever did. On one occasion, a colleague who was engaging in a discussion with one of the other people concerned said, "Look, So-and-So, will you just please really listen to what I am saying, because I am convinced that you agree with me if you would only listen. But I do not think you are listening. Now, will you please really listen." The other man laughed and said, "Very well, I will try," and he did. Then he remarked, "Well, that is what I have been saying all along."

Sometimes it is necessary to do more than listen with one's physical ears. It is necessary to listen intensely with one's mind, even when the people who are giving the evidence may be people with whom one finds oneself in imperfect sympathy. There is the old legal maxim, "Hear the other side," which I think should be very carefully observed by this committee, as indeed by all committees, but perhaps especially in this case. We must avoid the attitude of the probably apocryphal Irish magistrate who said he never listened to the defence, he found it confused him. Or the attitude of a certain Quebec judge of yesteryear, as recounted to me by my late friend R. L. Calder, K.C., who said that when a prisoner was brought before this jurist, accused of some crime and pleaded not guilty, the judge would put on his glasses, look at the prisoner over his glasses, shake his head and say, "If you were not guilty, you would not be here." We want to avoid that attitude.

The reason I mention that is because I have on several occasions in the past appeared before Senate committees where there was a tendency by certain senators, now long gone to their reward, to take that attitude. If they saw a trade union witness there was a tendency, as far as I could see at the time, to say, "These blankety blank blank so-and-sos. This is where we get a chance to get our own back at them. They are desperadoes, conspirators, malefactors. Now we are going to tell them for once just where they get off."

• (1550)

The degree of relevancy of some of the questions, it seemed to me, was slight, to put it mildly. Therefore, we

need to make a special effort in this case not to prejudge the issue, even in the speeches which are made on the motion now before us.

Honourable senators, there are two other things I want to add at present. One is that if this subject is to be properly examined by this committee, it may be necessary to make some small changes in the membership of the committee. This sounds very disrespectful to the existing members of the committee, and I hope it will not in fact be so interpreted. I merely wish to point out that, on examining the membership of the committee, it seems to me there are few people on it who have had very much experience of industrial relations, at all events on the labour side. It is really indispensable that there should be some people on that committee who have had such experience, or who at least have had experience in an impartial capacity in labour disputes.

If any one thinks that at this moment I am, as we used to say in the Methodist church, preaching for a call, I can assure him that he is vastly mistaken. The people I am thinking of as indispensable members of a committee to conduct this inquiry are my honourable friend, Senator Goldenberg, and my honourable friend, Senator Lawson.

Hon. Mr. Argue: You will probably be asked to be a member anyway.

Hon. Mr. Forsey: I might appear on occasion and listen, and possibly put my oar in. Several honourable senators who have spoken on this subject have been kind enough to suggest that I have had a good deal of experience in this field. I am sorry to say they are quite mistaken. I do not suppose that over the whole of my career in the trade union movement, 27 years, I spent more than about three hours, all told, in the negotiation of disputes. That is a very generous estimate; I should almost be inclined to say that you could put all my experience on the sharp end of a pin and have plenty of room left for manoeuvre. So I am not anxious to be a member of this committee—far from it. I have quite enough to do as it is. But I do think that it would be absolutely indispensable to this inquiry to have available to the committee on its membership—not simply as people coming in from outside the committee—people like Senator Goldenberg and Senator Lawson. There may be others whose names will occur to other honourable senators, but I mention those two particular senators because I know myself how extensive and profound their experience is.

Honourable senators, the last thing I want to say this afternoon is that the committee will need to have some expert and experienced professional adviser. This I think has been the custom of a number of our committees inquiring into special subjects of some complexity, and it will be necessary to do the same thing here.

The hearings will require very careful organization. They will require the services of someone who is intimately connected with this field, who has had professional experience of it, and who knows where to go for the necessary witnesses and how to inspire them with confidence that they will receive the kind of hearings we know they will receive from a Senate committee which is doing its job effectively.

I hope, therefore, that careful consideration will be given by the committee, if and when it undertakes this inquiry, to the securing of a professional adviser and to the organization of the hearings on the most effective basis. It is not a job which should be done in haste, it is not a job which can safely be scamped. It is the more necessary that we should proceed with special care in this field because there is a good deal of impression abroad in the country—and some of it is unfair—that, on the whole, this house is likely to be biased against the labour side. There is a good deal of feeling against this house in labour circles, and there has been for a very long time. The demands by the trade unions for our abolition go back to well before the end of the last century. Those demands never were pressed with any zeal but they are there and they represent certainly a degree of feeling amongst trade unions which I do not think we want to encourage, even if it is merely an instinct of self-preservation on our part.

I hope, therefore, that what I have said this afternoon may be of some use. I should like to move the adjournment of the debate, with a view to adding a few remarks on certain matters of detail which might come before the committee—not my preconceived notions but certain matters which might well, in addition to those which have already been suggested, come before the committee; adding those remarks next week, not necessarily at the next sitting but whenever this order of business comes up again.

Hon. Mr. Goldenberg: Honourable senators, may I ask Senator Forsey a question? Senator Forsey has mentioned my name in the course of his remarks. I just want to ask him whether, not being a Methodist, I would still be obliged to accept the call?

Hon. Mr. Forsey: I am not in a position to extend the call. I am merely hoping that the Senate authorities will see that the call is duly extended to my honourable friend, whose experience in this field, it is safe to say, is certainly unique and is beyond that of any other member of this chamber.

On motion of Hon. Mr. Forsey, debate adjourned.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-55 (ESSEX)—SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald moved the second reading of Bill C-55, respecting the Electoral Boundaries Readjustment Act.

He said: Honourable senators, Bill C-55 deals with the old constituency known as Essex.

Hon. Mr. Connolly (Ottawa West): Where is Essex?

Hon. Mr. McDonald: Someone told me that it is—

Hon. Mr. Benidickson: England.

Hon. Mr. McDonald: —south of northern California. The constituency is represented, as you know, by Mr. E. F. Whelan. During his remarks in the House of Commons, if I might refer to them, he mentioned that part of the old constituency of Essex has been annexed by the City of Windsor. I am told by my seat mate that that is one of the fastest growing industrial areas of Canada. It has great

growth and prosperity. As part of the City of Windsor is now in the old Essex constituency, the sitting member, after consultation with the electorate of that constituency, has suggested the name be changed from Essex to Essex-Windsor.

Hon. Mr. Martin: Thus preserving two historic names.

[*Translation*]

• (1600)

Hon. Paul C. Lafond: Honourable senators, a year or so ago, I had an opportunity to express my opposition to the study and adoption by the Senate of a bill of this kind. The arguments I brought forward at the time are none the less valid today and I do not intend to repeat them. They are perhaps even more relevant, because we are twelve or thirteen months closer to a general election and a readjustment of electoral boundaries.

I therefore restate my opposition to the study and adoption of those bills, and if they are to be read a second and third time I request that this be on division.

Hon. Mr. Martin: May I ask a question? The honourable senator says he is against the bill, but he gives no reason. I remember that he raised this question a year ago and perhaps his arguments at this time are the same as those he brought forward last year, but I should very much like to know, for instance, why he considers he should oppose the bill today. I should like to know his arguments.

Hon. Mr. Lafond: I can readily make a brief review of the arguments I submitted at the time.

Names of constituencies were established after study by electoral boundaries commissions. At the time of the last revision, when the reports of these commissions were tabled in the House of Commons, there was a certain period within which every opportunity was given to members of the other place to make any changes they considered appropriate.

Therefore, in all the bills reaching us, long after the readjustment of electoral boundaries, there has already been an opportunity to make changes. This opportunity has not been taken. They come to us with changes of names of constituencies which sometimes get the alphabetical order of counties mixed up and create useless hardship for the Chief Electoral Officer just before the elections, when a great deal of his stationery has already been printed.

[*English*]

The Hon. the Speaker *pro tem*: Honourable senators, it has been moved by Senator McDonald, seconded by Senator Smith, that Bill C-55 be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Lafond: On division.

Hon. Mr. Choquette: Honourable senators, at this stage I should like to explain that I have been instructed by Senator Flynn to move, on his behalf, the adjournment of the debate on the second reading of each of the four bills concerning electoral boundaries unless there is assurance that they will be sent to a committee.

Hon. Mr. McDonald: I have no objection to either course. That is up to the Senate. If the Senate desires to send them to a committee, I shall not object. On the other hand I certainly do not object to Senator Choquette's moving the adjournment of the debate on behalf of Senator Flynn.

On motion of Hon. Mr. Choquette, for Hon. Mr. Flynn, debate adjourned.

BILL C-74 (HIGH PARK)—SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald moved the second reading of Bill C-74, respecting the Electoral Boundaries Readjustment Act.

He said: Honourable senators, Bill C-74 is in the same form as Bill C-55. It deals with the old constituency of High Park. The proposal is to change the name from High Park to High Park-Humber Valley. The sitting member, Mr. Walter Deakon, circulated a questionnaire throughout the constituency, from the result of which it is apparent that the desire of the people who live in the Humber Valley area is to have the name of the constituency changed from High Park to the double-barrelled name High Park-Humber Valley.

On motion of Hon. Mr. Choquette, for Hon. Mr. Flynn, debate adjourned.

BILL C-92 (RENFREW NORTH)—SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald moved the second reading of Bill C-92, respecting the Electoral Boundaries Readjustment Act.

He said: Honourable senators, Bill C-92 concerns the present constituency of Renfrew North, which is represented by Mr. Leonard Hopkins in the other place. The proposal to change the name to Renfrew North-Nipissing East stems from the fact that, although the town of Renfrew is not in the constituency of Renfrew North, nevertheless many people living in the area believe that it is because of the name of the constituency. There are some 15 townships in the northern part of Renfrew county that are presently in the constituency, but there are 49 townships in the district of Nipissing East also in the constituency. The people in that area feel, therefore, that the name ought to be changed in order to give recognition to the two distinct areas of the constituency.

On motion of Hon. Mr. Choquette, for Hon. Mr. Flynn, debate adjourned.

BILL C-167 (TROIS-RIVIÈRES)—SECOND READING—DEBATE ADJOURNED

Hon. A. Hamilton McDonald moved the second reading of Bill C-167, respecting the Electoral Boundaries Readjustment Act.

He said: Again, honourable senators, this is a matter of a change of name, in this case from Trois-Rivières to Trois-Rivières-Métropolitain.

• (1610)

The reason for this change, as the member, Mr. Lajoie points out, is that the constituency is made up of three centres, Trois-Rivières, Cap de la Madeleine and Trois-Rivières West. Apparently the citizens of the three cities in

the constituency have asked for a change of name on this account.

A second reason, I am informed, is that there seems to be some conflict between the name of the provincial riding and the name of the federal riding, and by changing the name to Trois-Rivières-Métropolitain, it is felt that the citizens of the three cities would be satisfied, and the change will end the confusion between the names of the provincial riding and the federal riding.

On motion of Hon. Mr. Choquette, for Hon. Mr. Flynn, debate adjourned.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FOURTEENTH MEETING—DEBATE ADJOURNED

The Senate resumed from Tuesday, March 14, the adjourned debate on the inquiry of Hon. Mr. Deschatelets calling the attention of the Senate to the Fourteenth Meeting of the Canada-United States Interparliamentary Group, held at Ottawa and Montebello, 16th to 20th February, 1972.

Hon. John J. Connolly: Honourable senators, it is not my intention to keep the Senate here for more than a short time. The Canada-United States Interparliamentary Group in its 14 years of existence has generally been considered by members of this house as one of the most prestigious groups to which a senator or a member of Parliament can belong. Back in the days of Senator Lambert, Senator Smith and Senator McCutcheon, who were associated with the work of this joint committee, it was, as it still is, an organization to which honourable senators attach great importance indeed.

Senator O'Leary referred to my participation in the recent meetings as that of a utility outfielder. I think he flatters me because I was very little more than a benchwarmer. I was, of course, a freshman to membership in the committee although I have previously had some connection with it, particularly in the years of my own leadership here. But, as a freshman member, I should like to leave, if I may, some impressions of the kind of work the group does, together with some assessment of the work done at this particular meeting.

I think it is important to look first at the structure of the group itself. When it meets, except in plenary session, it meets in two committees. One is called the Committee on Trade and the other the Committee on Defence. And with good reason, for both countries the importance of the other both in trade and in defence is great indeed.

On the question of defence in war, the two countries have had very close co-operation and collaboration. I can speak with personal knowledge of naval matters. We had joint defence arrangements, particularly in the North Atlantic, where the forces of this country and the forces of the United States worked closely together. The personnel in the ships knew that there was a great depth of feeling and warmth between the Canadians and the Americans. The work of the Joint Production Board during the war was a vital factor in the outcome of the conflict.

In peacetime also our two countries are complementary and supplementary one to the other. We are, of course, each other's best customer, a fact which has been repeated many times and again this afternoon.

In defence matters, of course, even in peacetime, Canada is important to the United States because of the simple magnitude of Canadian geography. On the other side of the coin, honourable senators, I think we must completely and without reservation acknowledge the importance of the protection for Canada of the American military establishment.

There have been many other developments in the history of our relations with the United States. It would be impossible to enumerate them. I noticed some time ago with some concern certain criticism that was directed at the late Right Honourable C. D. Howe for the policies adopted during his time for greater capital inflows of American money to Canada. I am sorry Senator Manning is not here at the moment since he has already spoken about the importance of American capital to Canada and particularly to the Province of Alberta. Regardless of what we may say about American domination and the extent of American ownership in Canada, the importance to our development of the inflow of United States capital, particularly since World War II, cannot be too highly rated. We must realize that without it the standard of living we have would simply not exist.

But, honourable senators, capital movements, trade movements and defence matters are not the only things in which we have a mutual interest and in which our legislators have mutual interests. The science and technology of the two countries is important. While the science and technology of the United States is greater in volume and greater in value than ours, we still do a great deal in these two fields. We supply some of the American establishments, both in the public sector and in the private sector, with many able scientists and technologists.

In cultural affairs, of course, we shall long have a very active interchange of scholars, artists, athletes and, I add, tourists. All of these matters are bound to enter the discussions of the Canada-United States Interparliamentary Group. Even if the two committees are called the Committee on Trade and the Committee on Defence, we understand each other well enough—and this was obvious at our last meeting—to be able to discuss any matter of consequence that happens to be appropriate for the times when our meetings occur.

The meetings we had with our friends from the United States Congress in February were held under the shadow of the crisis over the United States balance of payments position. Canada recognized fully that this was a matter upon which the American government had to act, and act quickly. Its international commitments were very great indeed, not only because of the aid which the Americans have given since the end of the last war—and this amount is staggering—but also because of their huge military expenditures. The United States has been criticized severely for some of its military undertakings. But we should remember that following World War I the Americans were also severely criticized, firstly, for not being a member of the League of Nations and, secondly, for not assuming their share of responsibility in international

affairs. Following World War II, they were determined not to become isolationist and, being a wealthy country, they undertook very large responsibilities. Because of these commitments, particularly to the Far East and elsewhere, they have been subject to censure from many quarters. But if we look back at the various international crises which have occurred since the end of the war, had the Americans not been involved how satisfactorily would these crises have been resolved?

• (1620)

Canada recognizes the great imbalance in international payments with which the United States was confronted. We acknowledged that this could not be corrected by any domestic instrument within the United States, or by their anti-dumping legislation, or their anti-trust legislation, or by the capacity of Congress to increase the tariff. The main problem arose from foreign currency distortions.

The Nixon-Connally confrontation of August, 1971—and I am talking about John B. Connally, the Secretary of the Treasury—with the OECD countries was a peaceful confrontation. It was the kind of confrontation which called for debate, a threat if you will, but not a military threat. It did result in a debate. Canada was seriously disaffected by this new policy.

So we debated with our friends in Congress last month, we acknowledged that in our own self-interest we would have to do all we could to ensure that there was not an economic collapse in the United States. This would be a complete disaster for the western world. The west must be strong, and if the United States approached a bankrupt position the economic security of the west would be damaged. If that economic security is damaged then I would not be too hopeful for the military security of the west.

Canada was disaffected in an economic sense by the steps taken last August. The situation was unusual for Canada. Her trade surplus with the United States was much greater in 1970-71 than it had been for many years. As a matter of fact, for most of the years of our history we have had a trade deficit with the United States. The surplus was due mainly to the unusual workings of the auto pact agreement, especially with a small motor vehicle called the Maverick and with snowmobiles. Nevertheless, despite the fact that our trade balance was in a surplus position, Mr. Pepin indicated to us that the invisible elements of our fiscal relations with the United States—such as the interest payments on debt and payments for services, dividends and royalties—have put Canada in an overall deficit position this year.

Over a year ago, Canada had floated her dollar. This was not helpful to many of our export industries, particularly the pulp and paper industry. It was difficult for Canadian exporters generally to compete when the dollar was allowed to float to a higher level. I am not referring only to this one industry. You name the product exported and I think we can agree it applied to that product.

Canada did not perhaps fully recognize the crisis which was developing in the American balance of payments. But Canada had taken steps which probably helped somewhat to rectify conditions within the American market and in the American balance of payments.

We raised these matters and our friends discussed them, but in the larger context of the crisis position with which they were confronted. I feel that if we were in their shoes, we would have done the same thing.

In respect to Senator O'Leary's visit to Washington shortly after the new economic policy was developed last August, I wish to adopt Senator Croll's statement that when a member of the Opposition party travels to Washington in the interest of Canada one must say that this is great Canadianism. Without gilding the lily, I think I can say to Senator O'Leary, if he will allow me to adopt the words used by Senator Croll yesterday, I can give him no higher praise.

• (1630)

However, the point regarding the present position of the two countries relating to this issue was made by Senator O'Leary when he said in his speech that we have now had a pause in the negotiations. We had discussed this pause with the American senators and members of the House of Representatives. We said that as long as we are never confronted with a closed door, which I do not think we ever will be, difficulties of this nature between us can always be resolved. We should not have too much to worry us, because when dealing with Americans we are dealing with people who think, live and want to operate in the same way we do.

In respect of the personnel of the American delegation, I do not propose to single out any individual. We have all been impressed through the years by the desire on the part of the members of the American Congress to send their most distinguished and most able people here. A glance through the list of members of the Canada-United States group who have come from the American Congress over the years discloses that this standard has been realized in the nominees they have made.

I was very proud indeed to have been associated with my own colleagues from this house and, indeed, with my colleagues of all parties from the other house. I make no reference to any specific person. They all performed in a very responsible manner, in a manner of which we as Canadians should be immensely proud.

We recognized too that there were times between the annual meetings when crises might arise and should be discussed. It was readily agreed on the part of both Americans and Canadians that when unusual circumstances arise we need only telephone and arrange for a small group of Canadians to meet with a small group of Americans to resolve any difficulty.

May I close by observing that there are times when certain events develop which give rise to a feeling of anti-Americanism in this country. Very often when the event has passed and full light has been shed upon the circumstances, it is found that there was no justification for the charge against the Americans. It is the responsibility, and should be made so, of legislators on both sides of the border, when situations of this character develop, to get in touch with each other to clarify the situation in order that no misunderstanding will develop unnecessarily. In my opinion this can be done.

All in all, I felt very honoured to be a member of this group. I only hope that I will not be just a utility outfielder in the future.

On motion of Hon. Mr. McDonald, debate adjourned.

The Senate adjourned until Tuesday, March 21, 1972, at 8 p.m.

THE SENATE

Tuesday, March 21, 1972

The Senate met at 8 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS BILL, 1972

FIRST READING

The Hon. the Speaker *pro tem* informed the Senate that a message had been received from the House of Commons with Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

The Hon. the Speaker *pro tem*: Honourable senators, when shall this bill be read the second time?

Hon. Paul Martin, with leave of the Senate and notwithstanding Rule 44(1)(f), moved the second reading of the bill.

He said: Honourable senators, in proposing the second reading of this bill, I would remind the house that five years ago almost to the day, Senator Connolly stood in this chamber to move second reading of the predecessor of this bill, the Federal-Provincial Fiscal Arrangements Act of 1967.

At that time he explained that the bill rested upon six principles which had been expounded in the course of meetings with provincial governments. I think it is well worth restating Senator Connolly's summary of those six principles, which continue to apply:

1. That the fiscal arrangements between the federal and provincial governments should give each level of government adequate access to tax resources to discharge its responsibilities.

2. That each level of government should, as far as possible, levy its own taxes.

3. That the principle of federal equalization payments should be recognized as essential to help provinces provide an adequate level of public service.

4. That the federal authority should at all times have both theoretical and practical authority to discharge its full responsibilities.

5. That the federal-provincial arrangements should aim for the principle of uniform application of federal laws in every province of Canada.

6. That there should be co-operation in the establishment of policies and priorities in federal-provincial arrangements.

Honourable senators, these six principles, as I have said, remain as valid today as they did five years ago. I believe they are, in fact, better understood and more fully accepted than they were five years ago. In any event, they remain the framework of fiscal federalism in Canada, exemplified in this bill.

Representatives of our federal and provincial governments meet often to discuss matters of this kind, and on seven separate occasions ministers of finance and provincial treasurers examined the arrangements which had been incorporated in this bill.

It is easy and popular to conclude that such federal-provincial meetings are typically fractious and ill-tempered, harbouring deep divisions and fundamental tensions. But in my experience, this is seldom so. The two levels of government are building, I believe, on an enormous base of agreed principles and practices in their relationships with one another. At each step, of course, they must sort their way through inevitable conflicts and differences. Our political system sometimes highlights these differences. We remember the day's fireworks and forget the week's quiet progress. But our political system typically resolves such differences in the end, with reason and good will on both sides, and for the benefit of the people of this country.

• (2010)

This bill is not a perfect instrument of federalism, nor is it a final one. But it is a good instrument, and a product of great effort and imagination exercised in pursuit of a balance between centralization and decentralization, between fiscal independence and federal help for provinces not as fortunate as some of the others.

The Fiscal Arrangements Act is certainly the most important document among many that delineate the financial relationships between federal and provincial governments. For example, it focuses their co-operation in income tax policy. Under its provisions the two levels of government not only agree generally on the rules by which income taxes will be levied in Canada, but they establish how those taxes will be shared and indeed collected at minimum cost and inconvenience. The bill provides for equalization payments in each of the next five years, at a total expected to increase annually from a current level of about $1 billion a year. This legislation underpins provincial finances by guaranteeing that their revenues will not decline in the event of serious economic difficulties. It renews for two years the very broad support extended by the federal government in financing higher education in this country.

Statutory authority for the equalization and post-secondary education provisions will lapse on March 31 this year. These pressures are unfortunate but they are inevitable.

The first part of the bill extends the 1967 equalization arrangements for a further five years, with refinements to the formula for calculating payments. This complex formula measures the revenue-raising capacity of a province and to the extent that its capacity falls short of the national average on a per capita basis, the federal government fills the gap by a direct payment. The first formal equalization program was launched 15 years ago, and only with

the 1967 act did equalization extend to the comprehensive base of provincial revenues. The calculation now covers total provincial revenues from taxation, licences, privileges, permits, fees, fines, liquor board revenues and those of other government-owned enterprises. The technical changes in the bill before us relate to the classification of revenues, the measures used for population and tax bases, and the scheduling of calculation and payments.

The move to the comprehensive revenue base resulted in a major jump in equalization payments to $546 million in 1967. That figure has almost doubled in the five years since. Projections indicate that equalization payments may total $1.5 billion at the conclusion of these arrangements in 1976-77.

There is no doubt, therefore, that equalization payments have been critically important in helping recipient provinces to lift their public services closer to national average standards. The formula is designed to relate the amount of the payment to the shortfall in revenue capacities. Thus, we expect that both Newfoundland and Prince Edward Island will qualify for about $213 per person in equalization payments in the next fiscal year, well above the average for recipient provinces. The corresponding amounts in New Brunswick, Nova Scotia and Saskatchewan are expected to be $164, $135 and $102 respectively. Quebec and Manitoba have revenues closer to the national average, and consequently the payments received by their governments will be less on a per capita basis. The estimates for them are $74 and $58 respectively.

Background material showing the operation of the equalization system and payments under it will be available for study when the bill is referred to the Standing Senate Committee on Banking, Trade and Commerce. However, I shall give briefly the results of one comparison to indicate how important equalization has been to the seven provinces that have received it during the past five years.

The comparison examines the per capita revenues of each province, before and after equalization payments have been made. In 1966-67 net revenues from their own sources for the seven lower-income provinces as a group were 74 per cent of the average for Ontario, British Columbia and Alberta. Equalization raised the average for the lower-income provinces to 87 per cent of the average for the higher group. The gap between the two was halved from 26 to 13 per cent. This year the percentage gap between the same two groups is reduced dramatically from 19 per cent before equalization to only 2 per cent after equalization. Similar results occur when provincial expenditures on their services are compared. Clearly, therefore, we are making great strides toward the objective stated by Mr. Pearson's government in 1966 of assisting:

> all provinces . . . to provide to their citizens a reasonably comparable level of basic services, without resorting to unduly burdensome levels of taxation.

It is fortunate that most Canadians strongly support the principle of equalization. We require reasonably comparable levels of public services not just for simple equity and justice among our citizens, but because they contribute to a sense of common Canadian citizenship that is vital to the unity of Canada. The principle extends not just to this one system of payments, but to many of our social programs as well.

[Hon. Mr. Martin.]

• (2020)

Equalization is, of course, indispensable to the financing programs of the lower income provinces. It is the equivalent of between 13 and 16 per cent of the gross revenues of Manitoba, Saskatchewan and Quebec. It is equal to more than one-third of the revenues Nova Scotia and New Brunswick culled from their own taxes, and equal to 55 per cent of Prince Edward Island's own revenues and 66 per cent of those of the Province of Newfoundland.

In the course of discussions on equalization during the past two years it has been criticized as being both too broad and too narrow in scope, too generous and not generous enough. The federal government has explored a series of proposals for change in the formula and in the concept of the plan, but there are both conceptual and financial difficulties in changing the system substantially at this time.

One sweeping alternative to equalization has been given some prominence and should be discussed in the debate on this bill. It is the proposal that equalization payments to governments be abolished and replaced by payments direct to low-income individuals. This would result in drastic revenue losses for the provinces which receive equalization payments at present, making it impossible for them to maintain adequate services without enormous tax increases. If the federal government attempted to make direct payments to low-income Canadians sufficient to generate compensating tax revenue for those provinces, it is estimated that the payments would have to total a net $13 billion to $14 billion. This, of course, is far above the cost of any guaranteed income scheme yet suggested for this country.

Part II of the bill deals with the stabilization of provincial revenues, a little known but important reserve line of support provided to all provinces by the federal government.

Since 1967 all provinces, not just the have-not provinces receiving equalization, have been able to plan their expenditures, taxation and borrowing on the assurance that Ottawa would stand ready to prevent any major decline in their revenues.

The assurance took the form of a guarantee of a federal government grant to any province whose revenues fell below 95 per cent of those received in the preceding year. However, because it was a period of growth and steadily rising revenues for all governments, no province needed a stabilization payment. But the guarantee helped some provinces to borrow on the capital market on favourable terms. This new bill improves on the guarantee by increasing the "floor" to 100 per cent of previous year revenues, based upon the same rates and structure of taxes in the two years. Stabilization will serve more strongly than ever to assure people of the continuity of public services, and to assure lenders of the credit rating of borrowing provinces in the event of any sudden break in economic conditions.

Part III of the bill authorizes the federal government to sign agreements to collect corporation and personal income taxes and succession duties on behalf of the prov-

inces. Central collection of taxes is, of course, a system much admired by many other federations. In Canada both provincial and federal taxes are generally collected by a single tax return through a system that establishes the same definition of taxable income, the same deductions and the same provincial levies.

For the federal government this generally means continuity and uniformity of taxes from province to province, with all the benefits which that has for a federal state. Provincial governments in turn are relieved of a costly and difficult chore of tax collection. If they levy a tax as a percentage of the federal tax, they may sign a collection agreement and have their tax revenues gathered by federal machinery at no cost. The federal government bears the cost of collection and bad debts, and retains all interest and penalties. It is estimated that the provinces and their taxpayers save as much as $100 annually by leaving this job to Ottawa.

A system of this kind demands a great measure of federal-provincial consensus of the shape and substance that a tax system should take. I think it is of value for us to realize, particularly after the criticism about tax reform in the last two years, that the same provinces are staying with collection agreements this year. Provincial income taxes on a personal basis will be collected by the federal government for all provinces except Quebec, and provincial corporation taxes for all provinces except Quebec and Ontario. Quebec has indicated it will harmonize its income tax system with the federal government. Except for a restriction on rates applicable at January 1, 1972, provinces are free to establish their own rates of tax, expressed as a percentage of the federal tax.

The abolition of the abatement system for personal income taxes occurs as part of tax reform and is assumed in this bill. This is a step of some importance in demonstrating that the provinces are perfectly free to determine their own levels of taxation. Abatements of personal income tax had left the impression that some level of combined federal and provincial taxes was right, and that any government exceeding its so-called share of that level was guilty of double taxation. In fact, no predetermined share of income taxes exists. Governments must, of course, consult on the total burden of taxation and on the consequences of their respective spending and taxing decisions. But, ultimately, they cannot negotiate as such about tax shares or total taxes. These two things are the consequences of political decisions at each level of government, decisions which flow from the demands of the electors and which will be judged by the electors.

• (2030)

The flexibility of the tax collection agreements will be illustrated this year by the introduction into the system of credits against Ontario's provincial income taxes. They will replace Ontario's existing program of separate property tax rebates. Individuals next spring will file proof of property taxes paid, and certain deductions from income tax will be allowed, or rebates of the property tax already paid will be issued. Federal government officials are also consulting with Manitoba about the introduction of credits for some of their provincial taxes.

This bill also empowers the federal government to collect succession duties for the four Atlantic provinces, Manitoba and Saskatchewan. Following the federal government's withdrawal from the estate and gift tax field as of January 1, 1972, these provinces decided to rejoin Ontario, Quebec, and British Columbia in the succession duty field. Lacking collection machinery of their own, they urged the federal government to administer their succession duties. The federal government has agreed to do so, but for three years only. The bill also authorizes the federal government to collect gift tax for certain provinces.

Part IV will establish a guarantee that the revenue of each province from personal and corporation income taxes combined will, for each of the first five years of the new tax system, be no less than they would under the old system.

This guarantee has been desirable because of the unavoidable uncertainty that surrounds yields in the early years of a new tax system. The federal government first pledged in the White Paper that it would make an initial guarantee of provincial revenues on the condition that provinces adopted the new tax structure. The guarantee of the bill also requires that provinces establish new tax rates at the beginning of 1972 no higher than equivalent rates for 1971. The actual rates differ because this year provincial taxes will be calculated on a smaller federal tax base than in 1971, and a conversion of expressed rates is needed to derive the same amount of revenue. These new rates are set out in the bill.

Under Part V the government is given authority to share with the provinces revenue from a special 15 per cent tax on certain distributions of corporate surplus. This tax replaces the tax otherwise payable by shareholders receiving the surplus in the form of dividends, and the revenue will be shared on an 80-20 federal-provincial basis, about the same proportion by which the two levels of government share the corporation income tax field at the present time.

Part VI extends for two years, until March 31, 1974, the fiscal transfers by which the federal government finances 50 per cent of the operating costs of post-secondary education in Canada. Separate methods are used to make these transfers to Newfoundland, Prince Edward Island and New Brunswick on the one hand, and to the remaining seven provinces on the other. During the two-year extension the bill sets a yearly ceiling of 15 per cent on the national rate of increase in the federal contribution. It would still be possible for the federal contribution to an individual province to exceed this 15 per cent growth rate if transfers to other provinces were short of the limit.

There are two points to be made about this program and its extension. Federal support for higher education has increased rapidly since this method of financing was introduced five years ago. The government estimates that transfers this year in this area will total $870 million, more than double the level of the $422 million in 1967-68. The remarkable expansion of post-secondary education in Canada during this period would have been impossible without federal support.

However, all governments are concerned about education costs, and clearly the escalation cannot continue. The issues are complex. Many levels of administration are involved. For its part, the federal government is con-

cerned not only with these fiscal transfers, but with manpower training, research support to universities and student assistance in the form of guaranteed loans. Consultations have been held since 1970 with provincial representatives and will continue to determine the long-term direction of federal participation in education.

Finally, Part VII of the bill is concerned with the regulations which set out the complex definitions, measurements and calculations that underlie the statute. It would not have been possible to incorporate all of this into statutory language, and the provinces have urged the federal government to prescribe technical details in regulations so that they might be consulted on their form.

These and other questions can, of course, be dealt with in greater detail when the bill reaches the committee at which the Minister of Finance himself is ready to appear.

Another section of Part VII amends the Established Programs (Interim Arrangements) Act to extend the so-called "opting-out" arrangements with Quebec and to make necessary technical revisions to tax points due to income tax reform.

Honourable senators may be aware that these opting-out arrangements changed the form, although not the amount, of federal assistance for hospitalization, welfare programs and general health grants. In 1965, special tax abatements plus cash payments were offered in place of straight cash as the federal contribution to these programs, but, although the offer was extended to all provinces, only Quebec chose to take advantage of this arrangement.

The amendments before honourable senators therefore retain and bring up to date this arrangement with Quebec.

I believe I have given a general indication of the provisions of this bill, which is really essential to orderly government in our country, taking into account that government is the sum total of the operations of federal and provincial governments.

Just as Senator Connolly commended to the Senate the bill in its original form five years ago, I commend this bill to honourable senators tonight.

Hon. David A. Croll: Honourable senators, if the Leader of the Opposition does not mind my saying a few words at this time, I think it would be in order for me to deal with the matter raised by the Leader of the Government when he referred to a statement that was made in the other place by the Minister of Finance. It was with reference to the cost of the guaranteed annual income, and he used the figure of $13 billion. When I saw that in *Hansard* I immediately attempted to find out where that figure came from, how it was arrived at. I was not very successful. I was told they got that figure from the same people who advised them that the best way to combat inflation was to bring on more unemployment.

• (2040)

Hon. Mr. Martin: There was no suggestion in anything I said that that was the cost. I said it was away above the cost. I did not say that that was the cost, and I do not think that my colleague the Minister of Finance said it either.

Hon. Mr. Croll: I am glad to have my mistaken impression corrected. I am sorry if I misunderstood you. Since I do not want to get into the debate, perhaps I may make a short statement at this time.

An estimate of the cost of the guaranteed annual income was made by the Canadian Chamber of Commerce who hired a professional. The figure he arrived at was short $1.5 billion. Then two professors from Queen's University, whose names I do not remember at the moment, made a calculation. Their estimate amounted to approximately the same figure. Then there was an estimate made in the Senate committee by competent people, who suggested a figure of approximately $800 million. That was about a year ago, so it probably would be $1 billion by this time. I now have on my desk a very thorough study made by two professors from York University, whose names also escape me at the moment, and whose estimate came to about $49 million higher than our estimate. It was a very thorough study. Honourable senators will remember the White Paper produced by the Department of National Health and Welfare in which a figure of approximately $2.6 billion was used. However, if these people were to search in their own departmental files they would find figures on record which put the amount at about one-half of that $2.6 billion.

Hon. Mr. Flynn: That came from Information Canada.

Hon. Mr. Croll: If you wait for Information Canada to come up with information, you will grow very old.

Hon. Mr. Flynn: So you understand the purpose of Information Canada?

Hon. Mr. Croll: I am having great difficulty with so many figures being thrown around, particularly when one considers the figures which have been produced by very competent people. That was the purpose of my rising at this time.

On motion of Hon. Mr. Flynn, debate adjourned.

UNEMPLOYMENT INSURANCE ACT, 1971

BILL TO AMEND—FIRST READING

Hon. John M. Macdonald presented Bill S-2, to amend the Unemployment Insurance Act, 1971.

Bill read first time.

Hon. Mr. Macdonald moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Minister of Transport on the administration of the Motor Vehicle Safety Act for the fiscal year ended March 31, 1971, pursuant to section 20 of the said Act, chapter 26 (1st Supplement), R.S.C., 1970.

Copies of Order in Council P.C. 1972-348, dated February 29, 1972, amending Part I of the Schedule to the Hazardous Products Act, pursuant to section 8(3) of the said Act, chapter H-3, R.S.C., 1970.

Report of the Governor of the Bank of Canada, including statement of accounts certified by the audi-

tors, for the year ended December 31, 1971, pursuant to section 26(3) of the Bank of Canada Act, chapter B-2, R.S.C., 1970.

CONSTITUTION OF CANADA

SPECIAL JOINT COMMITTEE—CORRECTION TO FINAL REPORT TABLED

Hon. Gildas L. Molgat: Honourable senators, I wish to table a correction to the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in this house on Thursday, March 16, 1972. The correction which I am tabling involves simply a slight addition to the wording. It means the addition of a few words to page 42 of the report, and the words are "to determine the nature of this structure." This applies to the recommendations dealing with the National Capital Commission and the structure of such a commission. This wording was omitted during the preparation of the final writing of the report, and there is no question whatever that this is "an amendment after the fact," as I have seen suggested in one newspaper column. That is not the case at all. Any study of the working papers of the committee would prove this, as would, indeed, any inquiry of any member of the committee. Honourable senators who were members of that committee will support the statement that it was merely an inadvertent omission.

TERRITORIAL SUPREME COURTS BILL

FIRST READING

Hon. Paul Martin presented Bill S-3, to change the names of the Territorial Court of the Yukon Territory and the Territorial Court of the Northwest Territories.

Bill read first time.

Hon. Paul Martin moved, with leave of the Senate and notwithstanding Rule 44(1)(f), that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRIVATE BILL

UNITY BANK OF CANADA—PRESENTATION OF PETITION

Hon. John J. Connolly, for Hon. Maurice Bourget, presented the following petition:

> Of Isadore Levinter and Benjamin Victor Levinter of Woodbridge, in the Regional Municipality of York, Zenon Gutkowski of the Municipality of Metropolitan Toronto, Adiuto John Pianosi of the Town of Copper Cliff, all in the Province of Ontario, and Gerald LaSalle of the City of Sherbrooke, in the Province of Quebec; praying to be incorporated under the name of "Unity Bank of Canada", and in French, "L'Unité, Banque du Canada".

FIRST READING

The Hon. the Speaker *pro tem* informed the Senate that a message had been received from the House of Commons with Bill C-164, to incorporate Unity Bank of Canada.

Bill read first time.

The Hon. the Speaker *pro tem*: Honourable senators, when shall this bill be read the second time?

• (2050)

Hon. Mr. Flynn: May I ask Senator Connolly if this is the same bank as that referred to in the previous petition?

Hon. Mr. Connolly (Ottawa West): Yes, honourable senators. I understand the name of the bank has been changed as a result of representations made in the other place. However, this bill is substantially the same as the one passed by the Senate during the last session with the exception of a change of name and one other relatively minor change.

Hon. Mr. Flynn: Are there two separate bills, or only one?

Hon. Mr. Connolly (Ottawa West): There is only one bill. The bill which was passed by the Senate in the last session died on the Order Paper in the other place at the end of the session. A new bill was introduced this session in the House of Commons. It has been passed by the other place and is now before us with two relatively minor changes.

Hon. Mr. Flynn: That was not my question.

Hon. Mr. Croll: Why do we need a petition for incorporation? That is Senator Flynn's point.

Hon. Mr. Flynn: Why do we need a petition when the bill has been passed by the other place?

Hon. Mr. Connolly (Ottawa West): It is a private bill, and private bills are required to be preceded in this house by the presentation of a petition.

Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(f), I move, on behalf of Senator Bourget, that this bill be read the second time at the next sitting.

Motion agreed to.

BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

Hon. John M. MacDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

> That the name of the Honourable Senator White be substituted for that of the Honourable Senator O'Leary on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-55 (ESSEX)—SECOND READING

The Senate resumed from Thursday, March 16, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-55, respecting the Electoral Boundaries Readjustment Act.

Hon. Jacques Flynn: Honourable senators, what I say regarding this bill will apply to the others in this group. I merely wish to echo a point made by Senator Lafond the other day. I suggest that these bills run counter, if not to

the letter at least to the spirit of the Electoral Boundaries Readjustment Act, Chapter E-2 of the Revised Statutes of Canada, 1970, which was passed in the 1964-65 session.

As you are aware, under this act provincial commissions were established to delineate the boundaries of federal constituencies, and to give a name to each. Any person who wished to make a complaint or an observation was welcomed to do so. Those commissions heard witnesses who suggested changes in names, and their reports were tabled in the House of Commons. Members of the other place who had objections could state them at that time.

One of the principles the commissions endeavoured to follow was that of giving simple names to each constituency in Canada. During the last session several bills were introduced which followed the old custom of trying to describe every corner of every constituency in Canada. Some constituencies were easy to describe, such as Essex East which today could be called Martin. However, others, such as Berthier-Maskinongé-de Lanaudière and Nanaimo-Cowichan-The Islands, were more complicated. This would indicate a return to the old method of describing constituencies.

I feel this is the wrong time to do this because we are on the eve of a federal election, which will take place either this year or some time next year.

Under the provisions of the Electoral Boundaries Readjustment Act another redistribution will have to take place next year. This complicates the task of the commissions which will have to deal with this problem next year, in any event.

It is obvious that no one wished to be too harsh on his friends in the other place as far as these matters were concerned, and the bills have no real political bearing. The attitude was: "I am with you if you are with me." That is, of course, the underlying reason for this series of bills. We cannot really stop their passage, but we should at least register a protest. When the motion was put, Senator Lafond said that these bills should pass on division. I agree with that.

• (2100)

Motion agreed to and bill read second time, on division.

BILL C-74 (HIGH PARK)—SECOND READING

The Senate resumed from Thursday, March 16, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-74, respecting the Electoral Boundaries Readjustment Act.

Hon. Jacques Flynn: Honourable senators, my remarks with respect to Bill C-55 apply to this bill.

Motion agreed to and bill read second time, on division.

BILL C-92 (RENFREW NORTH)—SECOND READING

The Senate resumed from Thursday, March 16, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-92, respecting the Electoral Boundaries Readjustment Act.

Hon. Mr. Flynn: Honourable senators, what I have said applies *mutatis mutandis*.

[Hon. Mr. Flynn.]

Hon. Mr. Choquette: Honourable senators, Latin is not one of the two official languages of this chamber, or of the country. I would like my honourable friend to my right to translate *mutatis mutandis* for the purpose of the record. Its meaning was never really clear to me.

Hon. Mr. Flynn: *A mari usque ad mare.* They know what it means.

Hon. Mr. Choquette: We are still at sea.

Motion agreed to and bill read second time, on division.

BILL C-167 (TROIS-RIVIÈRES)—SECOND READING

The Senate resumed from Thursday, March 16, the adjourned debate on the motion of Hon. Mr. McDonald for the second reading of Bill C-167, respecting the Electoral Boundaries Readjustment Act.

Hon. Mr. Flynn: Honourable senators, my remarks with respect to the previous bills apply.

Motion agreed to and bill read second time, on division.

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. Gildas L. Molgat: Honourable senators, it was my pleasure and privilege on Thursday last to table the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada. This Special Joint Committee had as its work one of the most serious and delicate tasks ever faced by a parliamentary committee, that of proposing the future shape of our country as defined in its basic document, the Constitution of Canada. I can speak without reservation and in glowing terms of the tasks of the committee. I can do this without any false shame, because I was not a member of the Senate when the committee was first established and its terms of reference set when honourable senators decided that this was a course of importance to the people of Canada. I became a member of the committee long after its establishment.

Hon. Mr. Martin: And one of its best members.

Hon. Mr. Molgat: I wish to say, however, that the committee obviously could not have accomplished its work without the help of a large number of people. The page of acknowledgments lists a number of these people, and I would like to read from it because the report itself does not form part of the record.

The thanks of all members of the committee go to the Speakers and officers of both Houses of Parliament, who were invaluable in their advice and help. We thank also the large and devoted staff from various departments. When I outline the manner in which the committee proceeded you will realize why I refer specifically to "devoted staff," because the pace of the committee was rather hectic. We received invaluable assistance from the staff of the Committees and Private Legislation Branch, the Com-

mittee Liaison Officer of the House of Commons, and the Interpretation and Translation Divisions of the Department of the Secretary of State. One office not mentioned is that of the Queen's Printer. I would mention in particular two employees of that office, Mr. Jeffrey Feren and Mr. Archie Leblanc. They could not be mentioned in the acknowledgments because obviously their contact with the report came after it had been written. Without their devotion the report might not have been produced and tabled at the time it was.

• (2110)

We also owe particular thanks to the joint clerks who, throughout the two years that the committee functioned, worked far beyond what one could reasonably expect from any employee. The clerks and other personnel put in many hours of work. Here I should like to single out Mr. Michael Kirby of the House of Commons Committees Branch, Mr. Patrick Savoie of our Senate Committees Branch, and later, replacing Mr. Patrick Savoie,

[*Translation*]

Miss Gabrielle Savard, from the House of Commons Committees Branch—we cannot really describe the enormous amount of work done by these three persons.

[*English*]

Our own immediate staff comprised Mr. David L. McWilliam, who is our legal adviser,

[*Translation*]

Mr. Jacques Malouin, economic adviser, Mr. Richard Gervais, economic assistant, and Miss Suchal, research assistant, have also accomplished a task that we would describe as exemplary.

[*English*]

The appreciation which I know that members of our committee feel cannot be adequately understood unless it is known how the committee functioned. Therefore, before going into details of the committee's work, I should like to explain how the committee operated.

The committee established from the outset that it had two particular functions. It functioned as a special select committee to analyze proposals put forward by the federal and provincial governments with regard to constitutional amendments and procedures, and to obtain the views of as many experts as possible on constitutional matters.

The committee commenced its work here in Ottawa where material was already available for analysis. It was here too that most of the acknowledged experts on the Constitution appeared before the committee. They come from all over the country.

By and large the committee met twice weekly, and usually a full morning or afternoon session was reserved for each witness. The committee members had every opportunity to question each witness in detail.

I might add that those who were invited to appear before the committee represented all political viewpoints. There was no restriction whatsoever. The fact that someone represented a separatist viewpoint by no means excluded him; on the contrary, every effort was made to ensure representation on all points of view. As a result, the meetings were extremely interesting.

The committee established from the outset, as being crucial to its operation, what one might call its popular function. In this connection I shall read an extract from an early working paper which suggested the method by which the committee might consider this popular function:

> Perhaps the most important aspect of the committee's work is the effect it can have on public opinion in the country by arousing interest in the constitutional process. This can be accomplished only by the committee's travelling the length and breadth of the country and conducting hearings in smaller centres as well as larger ones. Indeed, this is already foreseen by the committee's terms of reference—
>
> We should prefer to have the cross-country meetings as unstructured as possible to give maximum scope to citizens to speak their minds on the kind of country they would like to live in.

This is exactly what the committee proceeded to do. Its popular function cannot be overemphasized. If honourable senators read the debates prior to the establishment of the committee they will see that many members of Parliament felt that discussions on constitutional matters were just between the federal government and the ten provincial governments, that they themselves and the Canadian public did not share in determining these crucial issues concerning the future of our country.

To my mind the popular aspect of the committee's work is most important, for in the final analysis a changed Constitution will not be acceptable to the Canadian public unless it is in tune with their mood—no matter what the experts say.

The committee travelled the length and breadth of Canada, visiting every province. In addition to visiting the capital cities and the large centres, the committee held meetings in such places as Prince George and Kamloops in British Columbia; Sherbrooke, Arvida and Rimouski in Quebec; and Timmins, Sault Ste. Marie and Sudbury in Ontario. This was the pattern throughout the whole country. The two Territories, which so frequently feel left out of the mainstream of Canadian life, were also visited. Meetings were held in Whitehorse, Yellowknife and Inuvik. Wherever the committee went, it attempted in the best possible way to encourage public participation. Six weeks prior to visiting a particular community, advertisements were placed in four successive editions of local newspapers. These were, I might add, bilingual advertisements in all cases. I feel that future committees might consider, in addition to advertisements in local newspapers, the use of radio and television advertisements. These media, I believe, can reach all who are interested in the work of committees such as ours.

• (2120)

When the committee arrived at a location, except in the early stages of its work when the equipment was not available, simultaneous interpretation facilities were provided so that anyone who appeared could speak in either French or English. The rules were deliberately established on a flexible basis, and this again is something other committees might consider. There was no obligation to submit advance copies of briefs, nor was there an

obligation to submit a certain number of briefs. Everything was done to encourage participation.

People who had previously indicated a desire to speak to the committee were allowed fifteen minutes in which to do so; people who arrived on the day or evening of the sitting wishing to present their views in a formal manner, were allowed ten minutes. Between these formal briefs the committee heard people from the floor. Microphones were placed in every hall so that people could participate from the floor if they wished, and they were allowed three minutes. The three-minute time allotment had to be enforced in order to be able to proceed in an orderly manner, but people were allowed to make second and third speeches if time permitted. There was real participation, and a real opportunity for any Canadian who wished to be heard by a parliamentary committee.

It was amazing to see how many chose to appear. The committee found there was a great deal of interest in the Constitution. Let me give an example. In the City of Vancouver the committee reserved a hall with a capacity of between 300 and 400 people and at 8 o'clock, when the hearing was to commence, it was filled to capacity. When the doors were closed there were people milling about in the halls outside clamouring to be let in. A formal petition was sent to the chairman asking that a larger hall be obtained, which resulted in the hearings being moved to the main ballroom of the Hotel Vancouver in order to accommodate the number of people who wished to appear. It was a tremendous education from all aspects.

Hon. Mr. Choquette: Did those people crowd the place because they wanted to show opposition to any amendment to the Constitution?

Hon. Mr. Molgat: The majority of those who appeared before us had intelligent and useful things to say with respect to what they wanted Canada to be. One interesting thing from a Canadian standpoint, Senator Choquette, this being a bilingual nation, was that almost invariably across the country, not exclusively in one particular area or another, when an individual rose to speak in French there was little objection. In some cases there were rumblings in the audience, and I will admit that on one occasion in Vancouver I heard someone say, "Speak English," but the surprising thing was that the vast majority of the audience immediately objected and said, "No, speak whichever language you prefer." The effect of this on the members of the committee and on the audiences throughout Canada was tremendous.

I feel that many people arrived at our meetings wondering what they were all about, and left feeling much more Canadian. I remember in Calgary, for example, during a discussion regarding the monarchy, a young lady of some 12 to 14 years of age was so taken up by the discussion that she came forward and made an excellent presentation, pointing out her views as a young Canadian. There was this type of spontaneous reaction in many parts of the country.

The committee's task was a rather arduous one. The tremendous participation prolonged our hearings. Rarely did the committee rise before midnight—in fact, I can remember only one or two occasions when it did. Most of the time it was one or one-thirty in the morning when the hearings were adjourned. The long hours made it difficult for our staff who had to set up the equipment for simultaneous interpretation, arrange tables, distribute documents and so forth, dismantle their equipment at the end of the hearing, and then move on to another sitting the next day. It was indeed a difficult and arduous task, and we appreciate what they did.

The same sentiments apply to the members of the committee. I realize it is dangerous to single out individuals, so I will attempt to do so in only a limited way. I feel I must pay particular tribute to the joint chairman from the other place, Dr. Mark MacGuigan.

Hon. Senators: Hear, hear.

Hon. Mr. Molgat: If one individual carried most of the load of the background work of the committee, the drafting, re-drafting and checking, it was certainly my colleague, the member from Windsor-Walkerville. He deserves the greatest credit for the work that he did on this committee.

I must also give credit to my predecessor as joint chairman from the Senate, the Honourable Maurice Lamontagne.

[*Translation*]

I am sure Senator Lamontagne regretted his inability to continue as co-chairman of the committee. Illness as well as work he had to accomplish within the Science Policy Committee made it impossible for him to continue and I had to stand in for him for a certain period, towards the end of our meetings, when he was unable to continue and I had to act as co-chairman in his place. I must say, however, that all the work of the first meetings, all the preliminary work, was done by Senator Lamontagne.

[*English*]

I want to thank as well all members from the Senate. I cannot speak too highly of the work they performed. They put in many long hours, and they deserve a great deal of credit for the interest they showed in the work of the committee, and the regularity with which they attended the hearings. Here I should like to single out two lady senators who were with us all the time that I was with the committee, Senator Fergusson and Senator Quart. No matter how long the day, or how far and long we travelled, they were there.

Hon. Senators: Hear, hear.

[*Translation*]

Hon. Mr. Molgat: I should also like to point out the work accomplished by Senator Casgrain. Although she was with us only for a short time, she showed great interest in the work of our committee, not missing one meeting while she was here. We saw with regret the time come for her to retire from the Senate, and therefore become unable to continue her work on the committee. This loss is partly the reason for a recommendation in the committee report to the effect that senators, when the time for their retirement has come, should be entitled to continue working either here in the Senate, or in a committee, wherever their work seems to be of particular interest.

Had this rule existed previously, our committee could have continued benefiting by the advice, the vast experience and the concern of Senator Casgrain.

• (2130)

[*English*]

One of the advantages of the work of the joint committee—here I speak specifically of joint committees—was the obvious understanding that developed between members of the Senate on the one side, and members of the other place on the other. As a newcomer to this building, it came as a surprise to me that the chamber at this end of the building and the other one, no further than some 200 or 300 yards away, could in a sense be somewhat in isolation. The work of the committee, I think, helped a great deal in promoting understanding between the members of the two houses. This is an important aspect of the functioning of our system of government. The friendships that developed between members of the Senate, and equally between members of the Senate and members of the other place, will, I think, bear useful fruit in the work of both houses in the future. I for one would like to see more use made of joint committees from now on.

This brings me to the committee's report itself. I do not propose tonight to go through all the recommendations. I hope that there will be a great participation by members of this house in the discussion of the report. Whether it is favourable or unfavourable I hope there will be discussion, because I believe there is a particular obligation on the Senate of Canada to speak on this subject.

There would have been no Confederation in 1867 if the question of the Senate had not been resolved. No issue took more time in the discussions of the Fathers of Confederation at the Quebec Conference than the question of the Senate. It was only when agreement was reached that there would be a Senate representing the regions of our country on an equal basis that agreement could be reached with Lower Canada and the Maritimes, which understandably felt that without this guarantee they would be overwhelmed by the larger population of Upper Canada. Thus the Senate was a crucial element in Confederation in 1867. To me this aspect of regional representation in the Senate is a major reason why the Senate should take a leading part in discussions on the Constitution of Canada. I hope that honourable senators will enter this debate, regardless of whether they are for or against the report of the committee.

I might add, although I am co-chairman of the committee, that I do not agree with all of the recommendations. One thing that we very soon found—and I am sure the original members of the committee knew it before they started—is that it is impossible for a committee made up of 30 people, representing all political views and all regions of Canada, to produce a unanimous report. Frankly, I am not disturbed at all by the minority reports that have appeared. In fact, it is rather surprising that we have been able to agree as much as we have; that we could produce a document like this report; that we could, understanding the nature of Canada, make the number of recommendations that we have.

Statistics Canada tells us that at the latest count there are 21,681,000 Canadians. We cannot have an individual constitution to serve each of us. The report is obviously a document of compromise, a document of give and take. It cannot be a document that will suit every individual, but it must be a document that represents the general will of Canadians.

This report represents the general will of the many Canadians whom we heard across Canada, and the general opinion of the committee members. I do not claim it is a unanimous report. It is not. We do not pretend it is. But we do say that it is not a partisan, politically inspired report. The discussion and the vote on none of these recommendations were of a partisan nature. In every case they were across provincial boundaries, and across language groups. They were simply what the members of the committee wanted, and every one of the recommendations was passed by a majority vote within the committee. I repeat, this does not mean—and we do not claim it does—that every recommendation has the approval of every member.

I know we shall be hearing from other members of the committee, one of whom sits directly behind me—I refer to my good friend, Senator Forsey—who will voice some objections. I have some as well. Although it may not be completely within the rules, I hope that when other honourable senators have discussed the report I might have the opportunity to say a few words more, at which time I would like to voice certain reservations. I do not do so now because as joint chairman I prefer not to express any opinions that might prejudice the views of anyone. I think it better that I voice my reservations at a later date. As one who comes from a region of the country that has often felt it did not participate fully in Canadian affairs, there are certain things I would like to see changed. However, all in all I support the general recommendations of the committee, and I think the work of my colleagues has been of immense value.

• (2140)

As far as the recommendations themselves are concerned, I would say that the spirit behind them is one of recognition of the growing importance of the provinces. We believe that, in order to accommodate the present structures of Canada, there ought to be a change in the responsibility of various levels of government, the general idea being to give the central government greater powers in the economic field in order that it can fulfil its particular obligations of national unity, national defence, economic management of the country, unemployment, and the whole economic area.

Hon. Mr. Isnor: What is the basis of your argument on that?

Hon. Mr. Molgat: The basic argument for that is that there are certain areas in which, unless they are controlled by a central government, the nation has a tendency to fall apart. Let us consider a specific case which has been mentioned in some newspapers—the matter of control over prices, wages, incomes, and so on. It has been said that we have recommended there should be income control, price control, and wage control by the government. That is not what we have said. What we have said is that, in a case of emergency, this should be within the federal power, because it is impossible for the central government in an emergency to take the steps required to hold the country together if it does not have that power. At the moment, that power is a provincial power. We propose that it be a federal power, because we feel the

central government is the only government that can use it effectively. It would be impossible for a Canadian government to take steps similar to those taken by the United States government last summer. If the provinces do not agree, it cannot be done.

Hon. Mr. Martin: Was there no evidence at all before the committee to the contrary, that the federal government, under the British North America Act, might have that power?

Hon. Mr. Molgat: We recognize that this can be a controversial matter. My colleague, Senator Forsey, might disagree on this issue, but in the committee's view it is not sufficiently clear and it should be clarified, so that we know where we stand. I admit it is not fully clear, and for that reason it should be cleared up. It is our feeling also that unless the federal government has these powers the provinces can keep on moving into federal fields and we may end up with an impossible situation.

On the other hand, we have recommended that those things that can best be done at provincial levels should be left in provincial hands. One recommendation in this area is the field of social policy. Many of the programs, such as family allowances and old age pensions, should be left in the hands of the provinces. That is, a greater flexibility should be left in the hands of the provinces rather than centralized in the federal government. The provinces should know best their particular circumstances, and they should be given the opportunity to make changes in the system, and should not be tied in.

Hon. Mr. Croll: How do you provide for uniformity?

Hon. Mr. Molgat: The provisional arrangement for uniformity is that the federal government will propose a certain figure, and the provinces would be allowed to move a certain percentage point from that figure. There would still be a certain base, but if a province felt it would like to put more money into family allowances and less into old age pensions, or vice versa, it would be allowed to do so. This would provide for flexibility as the province would know best what is required within its domain. There would be a certain percentage base below which it could not go. The provinces would have more flexibility than they have at present.

Honourable senators, I shall merely touch on a few of the other recommendations, as time is moving on. Basically, we have approved the amendment formula recommended at the Victoria Conference. Again, there was not unanimity on this, but it is a compromise that is acceptable to the provinces, and one on which we should proceed.

In the case of native peoples, the general recommendations made to us are represented in our recommendations. The feeling is that the native peoples want to be consulted much more before changes are made by government, and they want recognition. We specifically recommend that the preamble to the new constitution re-affirm the special place of native peoples, including the Métis in Canadian life. We specify the Métis because it is our feeling that in many cases they are the forgotten people in our country.

The question of the Bill of Rights produced a great deal of discussion. The committee came down on the side of a formal Bill of Rights in the Constitution.

[Hon. Mr. Molgat.]

On the question of language rights, the committee recommended strongly the re-affirmation of Canada as a bilingual country, with equal rights of English and French specifically for three of the provinces where there are substantial groups of English- and French-speaking people—New Brunswick, Ontario and Quebec, and that each of the other provinces, by its own decision, could declare itself to be a bilingual province also.

We affirmed clearly that we believe Canada is a multicultural country and that other language groups be given specific rights from the legislation standpoint where certain provinces choose to do so, and the federal government should in those cases participate in any additional cost.

We recognize the problem of regional disparities and we recommend that these be recognized in the Constitution, that Canada formally declare itself in favour of correcting the regional disparities that exist.

Honourable senators, much of the speculation prior to the issue of the report was around certain other aspects of our considerations. One of these was obviously the question of the head of state. On this one we heard many representations across the country, and I have to say that there is widespread disagreement on the question of the head of state. The committee—this is again a majority view—recommends there should be a Canadian head of state, but it does not recommend there should be an immediate change. There is recognition that this is at the moment a matter on which Canadians are extremely divided.

As was the case at the Quebec Conference, the question of the Senate and Senate reform took up a large portion of the time of the committee. The recommendations that are put forward represent the majority view.

• (2150)

Hon. Mr. Choquette: I think they made an awful mess on that question. I will talk on that later, but the Senate could be abolished tomorrow if that ever came into effect.

Hon. Mr. Molgat: Well, Senator Choquette, these are the various points of view which we heard across Canada. At any rate, it was our opinion, after listening to these various points of view and as a result of our own discussions and analyses, that it was wise for the Senate to reduce its veto power. We felt that the unlimited veto power which presently exists is an anomaly when you consider that the Senate is not an elected house but is an appointed house. We felt that it could properly perform its work with a suspensive veto power rather than a total veto power. The question of the amount of time—whether it should be a suspension for six months or 12 months, as in the British House of Lords—is obviously open for discussion, but by and large we did not find much disagreement with the idea that it should be a suspensive veto.

We recommended that the investigative powers of the Senate should be expanded and made more use of. This is a continuation of a process that actually exists.

The question of the numbers of senators also arose. There was a very definite feeling repeated most frequently in western Canada and in the Territories that those regions were under-represented in the Senate. It may not be as evident to people from the more highly populated

areas, such as Ontario and Quebec, but I can tell you that in the smaller provinces the question of Senate representation is, indeed, a factor of importance.

Thus, the final recommendation is that there should be no change in the present representation in the Senate for the Maritimes and eastern Canada, but that there should be an increase in representation for western Canada and there should be representation for the Yukon and the Northwest Territories.

Hon. Mr. Isnor: In other words, you would increase the representation to those provinces which last came into confederation. Is that right?

Hon. Mr. Molgat: No. We recommend no change in Newfoundland or any of the Maritime provinces. We recommend no change in Ontario and Quebec. The traditional structure of 24 in Ontario, 24 in Quebec and 24 for the Maritimes, plus the addition of six when Newfoundland came in, is unchanged. But the west, which has been considered so far simply as one region having a representation of 24 senators, should, we feel, be considered as two regions having a total representation of 48 senators, while the Yukon and the Northwest Territories should have a representation of two senators each.

Hon. Mr. Isnor: Senator Molgat, would you be good enough to tell us what sections of Nova Scotia you visited?

Hon. Mr. Molgat: I must admit, Senator Isnor, that I was not a member of the committee when it went to Nova Scotia. However, the places the committee visited were Antigonish, Halifax, Sydney and Wolfville.

Hon. Mr. Smith: There was nothing else to visit.

Hon. Mr. Molgat: Another matter concerning the Senate is the change in the appointment method. This was again a subject of great discussion—whether it should be an elected Senate, or be appointed by another group, or whether there should be no change at all. In the final analysis the committee recommended that the method of appointment should remain in the hands of the federal government because it is a federal institution. But the committee felt that there should be regional input to the extent that for half of the senators there would be a slate recommended by provincial governments presented to the federal government for choice.

The other changes, then, are of a relatively minor nature. We recommended that the personal requirements be changed simply to be those for an elector. We recommended that the retirement age be reduced from age 75 to age 70 in accordance with the present judicial structure. Of course, this would not affect present sitting senators but would apply to senators appointed henceforth. We further recommended that senators, upon retirement, would retain the title and precedence of senators and would be able to participate in the work of the Senate and that of its committees where required, although there would be no indemnity.

Hon. Mr. Choquette: They would get their expenses, I hope.

Hon. Mr. Molgat: I have already covered the matters of division of powers and social policy. One further area which I should like to touch upon tonight is the question of municipalities. This was probably the matter most frequently brought before the committee at our hearings.

There is a feeling that the municipalities in this country do not have adequate sources of revenue to match their responsibilities. It is fair to say that at none of our hearings was this case not made. It was particularly made to us by the large cities. In fact, we heard representations that we should be thinking of city states; that we should be looking at a three-level government structure on virtually an equal basis; that we should put the municipalities into direct contact with the federal government, and so on. However, after full consideration our committee finally recommended that there should be more consultation but that in the final analysis the municipalities are creatures of the provincial governments. We felt that while there should be meetings held among the three levels of government, and, thus, more consultation, nevertheless, the municipal structure is basically a provincial creation and that that structure should remain so at least for the time being.

Honourable senators, I do not think there is any need for me to elucidate many more of the other recommendations. You can simply read them in the report. I merely wanted to highlight what is in that report and I believe I have done that.

I repeat that we did not expect unanimity. In fact, I am surprised that we were able to reach agreement on as many points as we did, when you consider the great variety of points of view that exist in our country and the tremendous variation in the problems that exist from one end of the country to the other. We do not claim that this document is perfect. We do believe that it is a good base from which to start again the discussions on constitutional matters in Canada.

We felt that after the conference in Victoria and what flowed from that, a halt in the discussions at this time would be detrimental to Canada, particularly if the various parties concerned in constitutional matters were to retire to their respective places and not conduct any further discussions.

It is our opinion that the dialogue must continue. It is our hope that our report and its recommendations will give a new start to the discussions and provide a further opportunity for debate on the part of governments and of the public on this vital issue for the future of Canada.

• (2200)

Honourable senators, I ask that the summary of recommendations contained in the final report of the Special Joint Committee on the Constitution of Canada be printed as an appendix to the *Debates of the Senate* and *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this House.

The Hon. the Speaker *pro tem*: Is it agreed, honourable senators?

Hon. Senators: Agreed.

For summary of recommendations see appendix pp. 183-189.

On motion of Hon. Mr. Forsey, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 182*)

SUMMARY OF RECOMMENDATIONS CONTAINED IN THE FINAL REPORT OF THE SPECIAL JOINT COMMITTEE ON THE CONSTITUTION OF CANADA

PART I—THE CONSTITUTION

Chapter 1—Constitutional Imperatives

1. Canada should have a new and distinctively Canadian Constitution, one which would be a new whole even though it would utilize many of the same parts.

2. A new Canadian Constitution should be based on functional considerations, which would lead to greater decentralization of governmental powers in all areas touching culture and social policy and to greater centralization in powers which have important economic effects at the national level. Functional considerations also require greater decentralization in many areas of governmental administration.

Chapter 4—Patriation of the Constitution

3. The Canadian Constitution should be patriated by a procedure which would provide for a simultaneous proclamation of a new Constitution by Canada and the renunciation by Britain of all jurisdiction over the Canadian Constitution.

Chapter 5—Amendments to the Constitution

4. The formula for amending the Constitution should be that contained in the Victoria Charter of June 1971, which requires the agreement of the Federal Parliament and a majority of the Provincial Legislatures, including those of:

   (a) every province which at any time has contained twenty-five per cent of the population of Canada;

   (b) at least two Atlantic Provinces;

   (c) at least two Western Provinces that have a combined population of at least fifty percent of the population of all the Western Provinces.

Chapter 6—The Preamble to the Constitution

5. The Canadian Constitution should have a preamble which would proclaim the basic objectives of Canadian federal democracy.

PART II—THE PEOPLE

Chapter 7—Self-Determination

6. The preamble of the Constitution should recognize that the Canadian federation is based on the liberty of the person and the protection of basic human rights as a fundamental and essential purpose of the State. Consequently, the preamble should also recognize that the existence of Canadian society rests on the free consent of its citizens and their collective will to live together, and that any differences among them should be settled by peaceful means.

7. If the citizens of a part of Canada at some time democratically declared themselves in favour of a political arrangement which were contrary to the continuation of our present political structures, the disagreement should be resolved by political negotiation, not by the use of military or other coercive force.

8. We reaffirm our conviction that all of the peoples of Canada can achieve their aspirations more effectively within a federal system, and we believe Canadians should strive to maintain such a system.

Chapter 8—Native Peoples

9. No constitutional changes concerning native peoples should be made until such time as their own organizations have completed their research into the question of treaty and aboriginal rights in Canada.

10. The preamble of the new Constitution should affirm the special place of native peoples, including Métis, in Canadian life.

11. Provincial governments should, where the population is sufficient, consider recognizing Indian languages as regional languages.

12. No jurisdictional changes should be made in administrative arrangements concerning Indians and Eskimos without consultation with them.

Chapter 9—Fundamental Rights

13. Canada should have a Bill of Rights entrenched in the Constitution, guaranteeing the political freedoms

of conscience and religion, of thought, opinion and expression, of peaceful assembly and of association.

14. The Bill of Rights should include a provision requiring fair and equitable representation in the House of Commons and in the Provincial Legislatures.

15. The right to citizenship, once legally acquired, should be made inalienable under the Bill of Rights.

16. The individual person should be constitutionally protected in his life, liberty and the security of his person so as not to be deprived thereof except in accordance with the principles of fundamental justice.

17. The individual person should be constitutionally protected against the arbitrary seizure of his property, except for the public good and for just compensation.

18. The Constitution should prohibit discrimination by reason of sex, race, ethnic origin, colour or religion by proclaiming the right of the individual to equal treatment by law.

19. Discrimination in employment, or in membership in professional, trade or other occupational associations, or in obtaining public accommodation and services, or in owning, renting or holding property should also be declared contrary to the Bill of Rights.

20. Other provisions already contained in the Canadian Bill of Rights (1960) protecting legal rights should also be included in the Constitutional Bill of Rights: protection against unreasonable searches and seizures, the right to be informed promptly of the reason for arrest, the right to counsel, the right to habeas corpus, protection against self-crimination, the right to a fair hearing, the right to be presumed innocent and not to be denied reasonable bail without just cause, the right to an interpreter, the proscribing of retroactive penal laws or punishments, and the right not to be subjected to cruel and unusual punishment.

21. The rights and freedoms recognized by the Bill of Rights should not be interpreted as absolute and unlimited, but should rather be exercisable to the extent that they are reasonably justifiable in a democratic society.

Chapter 10—Language Rights

22. French and English should be constitutionally entrenched as the two official languages of Canada.

23. The Constitution should recognize:

(a) the right of any person to use either official language in the Federal and Provincial Legislatures and the Territorial Councils;

(b) the right to have access in both official languages to the legislative records, journals, and enactments of Canada, New Brunswick, Ontario, Quebec and the Territories;

(c) the right to use either official language in dealing with judicial or quasi-judicial Federal bodies or with courts in New Brunswick, Ontario, Quebec and the Territories;

(d) the right to communicate in either official language with Federal departments and agencies and with provincial departmental head offices or agency head offices in New Brunswick, Ontario, Quebec and the Territories.

24. All of the rights in recommendation 23 (b) (c) and (d) should also be exercisable in:

(a) any Province where each language is the mother tongue of ten per cent of the population;

(b) in any Province where the legislature declares French and English the official languages of the province.

25. The Constitution should recognize parents' right to have English or French provided as their child's main language of instruction in publicly supported schools in areas where the language of their choice is chosen by a sufficient number of persons to justify the provision of the necessary facilities.

26. We support the general objective of making French the working language in Quebec. We hope that through the studies being carried out in Quebec on this matter, this objective can be reached with due respect for certain Quebec Anglophone institutions, and taking into account the North American and world reality.

27. The preamble to the Constitution should formally recognize that Canada is a multicultural country.

28. The Constitution should explicitly recognize the right of Provincial Legislatures to confer equivalent status with the English and French languages on other languages. Federal financial assistance to support the teaching or use of other languages would be appropriate.

Chapter 11—Regional Disparities

29. The equitable distribution of income should be recognized in the preamble of the Constitution as a dynamic and humane objective of our social policy. Consequently, we agree with the principle stated in the Victoria Charter that:

> The Parliament and Government of Canada and the Legislatures and Governments of the Provinces are committed to . . . the promotion of equality of opportunity and well-being for all individuals in Canada.

30. We agree with the statement in the Victoria Charter that:

> The Parliament and Government of Canada and the Legislatures and Governments of the Provinces are committed to . . . the assurance, as nearly as possible, that essential public services of reasonable quality are available to all individuals in Canada.

This objective should be recognized in the preamble of the Constitution.

31. The preamble of the Constitution should provide that every Canadian should have access to adequate Federal, Provincial and municipal services without having to bear a disproportionate tax burden because of the region in which he lives. This recommendation follows logically from our acceptance of the principle of equality of opportunity for all Canadians.

32. We completely accept the following objective as stated in the Victoria Charter:

> The promotion of economic development to reduce disparities in the social and economic opportunities for all individuals in Canada wherever they may live.

As in the case of redistribution of income among individuals and for the same reasons, this objective should be recognized in the preamble of the Constitution.

PART III—FEDERAL INSTITUTIONS

Chapter 12—The Head of State

33. Because of the state of divided opinion in Canada, the Committee does not recommend any change in the monarchical system at the present time.

34. The Committee itself prefers a Canadian as Head of State, and supports the evolutionary process by which the Governor General has been granted more functions as the Head of State for Canada. Eventually, the question of retaining or abolishing the Monarchy will have to be decided by way of clear consultation with the Canadian people.

Chapter 13—The Senate

35. The present full veto power of the Senate over legislation should be reduced to a suspensive veto for six months according to the following formula: a bill may become law without the consent of the Senate (1) if the House of Commons, having once passed it, passes it again no less than six months after it was rejected or finally amended by the Senate, or, (2) if, within 6 months of third reading of a bill by the House of Commons the Senate has not completed consideration of it, and the House of Commons again passes it at any time after the expiration of the 6 months, but any period when Parliament is prorogued or dissolved shall not be counted in computing the 6 months.

36. The investigating role of the Senate, which has gained more importance in recent years, should be continued and expanded at the initiative of the Senate itself, and the Government should also make more use of the Senate in this way.

37. The Government should be entitled to introduce in the Senate all bills including money bills but excluding appropriation bills, before their approval by the House of Commons, provided that, in the case of money bills, they should be introduced by the leader of the Government in the Senate on behalf of the Government.

38. The distribution of Senators should be as follows: Newfoundland 6, Prince Edward Island 4, Nova Scotia 10, New Brunswick 10, Quebec 24, Ontario 24, Manitoba 12, Saskatchewan 12, Alberta 12, British Columbia 12, the Yukon Territory 2, and the Northwest Territories 2: a total of 130.

39. All Senators should continue to be appointed by the Federal Government: as vacancies occur in the present Senate, one-half of the Senators from each Province and Territory should be appointed in the same manner as at present; the other half from each Province and Territory should be appointed by the Federal Government from a panel of nominees submitted by the appropriate Provincial or Territorial Government.

40. The personal requirements for appointment to the Senate should be limited to those required for eligibility as an elector in the Canada Elections Act, plus residence in the province for which a Senator is appointed. The Quebec structure of electoral divisions should be abolished.

41. The compulsory retirement age for all new senators should be seventy years. Upon retirement, Senators should retain the right to the title and precedence of Senators and the right to participate in the work of the Senate or of its Committee, but not the right to vote or to receive the indemnity of Senators.

Chapter 14—The House of Commons

42. The mechanism of redistribution of seats in the House of Commons as well as the limitations implied in the 15 per cent rule and the Senate rule should be retained in the Constitution. The formula of representation, however, subject to our recommendations on the Bill of Rights, should be the exclusive prerogative of the House of Commons, to be dealt with by ordinary legislation.

43. Every House of Commons should continue for four years, from the day of the return of the writs for choosing the House and no longer, provided that, and notwithstanding any Royal Prerogative, the Governor General should have the power to dissolve Parliament during that period:

> (1) when the Government is defeated
>
> (a) on a motion expressing no confidence in the Government; or
>
> (b) on a vote on a specific bill or portion of a bill which the Government has previously declared should be construed as a motion of want of confidence; or
>
> (2) when the House of Commons passes a resolution requesting dissolution of Parliament.

Chapter 15—The Supreme Court of Canada

44. The existence, independence and structure of the Supreme Court of Canada should be provided for in the Constitution.

45. Consultation with the Provinces on appointments to the Supreme Court of Canada must take place. We generally support the methods of consultation proposed in the Victoria Charter, but the Provinces should also be allowed to make nominations to the nominating councils which would be set up under the Victoria proposals if the Attorney-General of Canada and the Attorney-General of a province fail to agree on an appointee.

46. The Provinces should be given the right to withdraw appeals in matters of strictly provincial law from the Supreme Court of Canada and to vest final decision on such matters in their own highest courts, thus leaving to the Supreme Court of Canada jurisdiction over matters of Federal law and of constitutional law, including the Bill of Rights. The issue of whether a matter was one of strictly provincial law would be subject to determination by the Supreme Court of Canada.

Chapter 16—The National Capital Area

47. There should be a movement by stages towards the possible creation of an autonomous Canadian Capital.

48. The Canadian Capital should be generally the areas of Ontario and of Quebec now defined in the schedule to the National Capital Act (1959).

PART IV—THE GOVERNMENTS

Chapter 17—The Division of Powers

49. The use of exclusive lists of Federal and Provincial powers, but with an extended list of concurrent powers, should be continued.

50. Concurrent powers which predominantly affect the national interest should grant paramountcy to the Federal Parliament and those which predominantly affect Provincial or local interests should grant paramountcy to the Provincial legislatures.

51. The Constitution should permit the delegation of executive and administrative powers (as at present), but not of legislative powers except where expressly specified in this Report.

Chapter 18—The General Legislative Power of Parliament

52. The "Peace, Order, and good Government" power should be retained in the Constitution as an expression of the overriding Federal legislative power over matters of a national nature.

53. Since the Federal General Legislative Power is counterbalanced by a Provincial power over matters of a Provincial or local nature, there is no place for a purely residuary power.

Chapter 19—Taxing Powers

54. Generally speaking and subject to recommendation 55, we endorse the principle that the Federal and Provincial Governments should have access to all fields of taxation. However, in order to bring about a division of revenues that may accurately reflect the priorities of each government, there should be Federal-Provincial consultations to determine the most equitable means of apportioning joint fields of taxation in the light of:

(a) the projected responsibilities of each level of government in the immediate future;

(b) the anticipated increases in their respective expenditures;

(c) economic and administrative limitations, such as preserving sufficient leverage for the Federal Government, by means of its taxation system, to discharge effectively its function of managing the economy.

55. Provincial legislatures should have the right to impose indirect taxes provided that they do not impede interprovincial or international trade and do not fall on persons resident in other Provinces. These limitations could be satisfied by tax collection through an interprovincial or Federal-Provincial collection agency, or by tax collection agreements.

Chapter 20—The Federal Spending Power

56. The power of the Federal Parliament to make conditional grants for general Federal-Provincial (shared-cost) programs should be subject to the establishment of a national consensus both for the institution of any new program and for the continuation of any existing one. A consensus would be established by the affirmative vote of the Legislatures in three of the four regions of Canada according to the following formula: the vote of the Legislatures in the Atlantic region would be considered to be in the affirmative if any two of the Legislatures of Nova Scotia, New Brunswick or Newfoundland were in favour; the vote of the Legislatures of the Western region would be considered to be in the affirmative with the agreement of any two of the four Legislatures. The consensus for existing joint programs should be tested every 10 years.

57. If a Province does not wish to participate in a program for which there is a national consensus, the Federal Government should pay the Government of that Province a sum equal to the amount it would have cost the Federal Government to implement the program in the Province. However, a tax collection fee of about 1 per cent, equivalent to the cost of collecting the money paid to the Province, should be deducted from the amount paid to such non-participating Provinces.

58. In order that the objectives of joint programs may be more effectively realized, conditional Federal grants should preferably be based on the cost of the programs in each Province. However, since a 50-50 cost-sharing formula, when applied to the expenditures made in each Province, constitutes too great an incentive in high-income Provinces, conditional Federal grants should not be made for that portion of Provincial expenditures which lies above the national average cost of the service. The maximum per

capita amount to which a Province would be entitled would thus correspond to the per capita national expenditure, and additional expenditures by a Provincial Government would in no way increase the Federal grant to that Province.

Chapter 21—Intergovernmental Relations

59. More communication and fuller cooperation among all levels of government are imperative needs. The achievement of these ends involves the improvement and simplification of the means of liaison and, where necessary, the creation of new mechanisms.

60. The Constitution should provide for a Federal-Provincial Conference of First Ministers to be called by the Prime Minister of Canada at least once a year unless in any year a majority of the First Ministers decide to dispense with the Conference.

61. The Federal Government should appoint a Minister of State for Intergovernmental Affairs to respond to the political challenges and opportunities resulting from closer intergovernmental relationships.

62. A permanent Federal-Provincial secretariat for intergovernmental relations should be established.

63. A tri-level conference among Federal, Provincial and Municipal governments should be called at least once a year.

Chapter 22—Municipalities

64. While we recognize the difficulties of larger cities in providing for their needs, financing their programs and determining their own priorities, as well as in negotiating with the Provincial and Federal Governments on works which seriously affect municipal planning, and also their need for more status and more autonomy in order to achieve these goals, we do not see how these matters can be entrenched in the Constitution. They should be negotiated between the cities and the Provincial Governments under whose jurisdiction they fall.

65. The municipalities in each Province, in conjunction with their provincial and national bodies, should determine which representatives from what municipalities would attend the annual tri-level conferences we have recommended in Recommendation **63**.

66. Such tri-level meetings would not have the power of veto over any Federal or Provincial programs but would rather operate by way of moral suasion.

67. In the light of the injustice done municipalities by their having to rely on the property tax for the bulk of their revenue, there should be a sharing of tax fields between Governments that would allow municipalities direct access to other sources of revenue.

68. Where feasible, representatives of municipalities should meet with other levels of government to discuss common problems particularly in the area of economic planning through representation at meetings of the Ministers of Finance and Provincial Treasurers.

Chapter 23—The Territories

69. The objective of Government policy for the Yukon and the Northwest Territories should be the fostering of self-government and provincial status.

70. The provisions of the British North America Act, 1871, section 2, which provide for the admission of new provinces by action of the Federal Government alone, should be continued, provided that no territory should become a province without its consent.

71. The Yukon and the Northwest Territories should each be entitled to representation in the Senate.

Chapter 24—Offshore Mineral Rights

72. The Federal Government should have proprietary rights over the seabed offshore to the limit of Canada's internationally recognized jurisdiction, and the Federal Parliament should have full legislative jurisdiction over this subject matter.

73. There should be no constitutional provision as to the sharing of the profits from the exploitation of seabed resources. Nevertheless, we feel strongly that the Federal Government should share the profits of seabed development equally with the adjacent coastal Province rather than with all of the Provinces.

74. Sable Island should be recognized by the Constitution as part of the Province of Nova Scotia.

Chapter 25—International Relations

75. Section 132 of the British North America Act should be repealed.

76. The Constitution should make it clear that: the Federal Government has exclusive jurisdiction over foreign policy, the making of treaties, and the exchange of diplomatic and consular representatives.

77. All formal treaties should be ratified by Parliament rather than by the Executive Branch of Government.

78. The Government of Canada should, before binding itself to perform under a treaty an obligation that deals with a matter falling within the legislative competence of the Provinces, consult with the Government of each Province that may be affected by the obligation.

79. The Government of a Province should remain free not to take any action with respect to an obligation undertaken by the Government of Canada under a treaty unless it has agreed to do so.

80. Subject to a veto power in the Government of Canada in the exercise of its exclusive power with respect to foreign policy, the Provincial Governments should have the right to enter into contracts, and administrative, reciprocal and other arrangements with foreign states, or constituent parts of foreign states, to maintain offices abroad for the conduct of Provincial business, and generally to

cooperate with the Government of Canada in its international activities.

PART V—SOCIAL POLICY

Chapter 26—Social Security

81. In the area of social security, there should be a greater decentralization of jurisdiction with a view to giving priority to the Provinces according to recommendations 82, 83 and 84.

82. With respect to social services, the present exclusive jurisdiction of Provincial Legislatures should be retained.

83. With respect to income insurance (including the Quebec and Canada Pension Plans), jurisdiction should be shared according to the present section 94A of the British North America Act, subject to the following exceptions:

(1) Workmen's Compensation should be retained under the exclusive jurisdiction of the Provincial Legislatures;

(2) Unemployment Insurance should be retained under the exclusive jurisdiction of the Canadian Parliament.

84. With respect to income support measures:

(1) Financial social assistance (Canada Assistance Plan, allowances to the blind, disability allowances, unemployment assistance) should be under the exclusive jurisdiction of the Provincial Legislatures;

(2) Veterans' allowances and allowances to Eskimos and Indians living on reserves should continue to be the exclusive responsibility of the Canadian Parliament;

(3) Demographic grants (old age pensions, family allowances and youth allowances) and guaranteed income payments (guaranteed income supplement) should be matters of concurrent jurisdiction with limited Provincial paramountcy as to the scale of benefits and the allocation of Federal funds among these income support programs. Thus the Federal Parliament would retain concurrent power to establish programs and to pay benefits to individuals under these programs. However, a Province would have the right to vary the national scheme established by Parliament with respect to the allocation within the Province between the various programs of the total amount determined by the Federal Government and with respect to the scale of benefits paid to individuals within the Province according to income, number of children, etc., within each program; provided that the benefits paid to individuals under each program should not be less than a certain percentage (perhaps half or two-thirds) of the amounts which would be paid under the scheme proposed by the Federal Government.

Chapter 27—Criminal Law

85. Since we believe that each Province should be able to regulate the conduct of its own people in such matters as the operation of motor vehicles, Sunday observance, betting and lotteries, the Federal Parliament should have the right to delegate even to a single Province legislative jurisdiction over any part of the criminal law.

86. Because there is some ambiguity resulting from current practice, if not from the Constitution, the Federal power over the administration of criminal justice should be made clear so that the Federal Parliament would be seen to have clear and undoubted jurisdiction to enforce its own laws in the criminal field.

Chapter 28—Marriage and Divorce

87. In keeping with our principle of control by the Provinces of their social destiny, the jurisdiction over "Marriage and Divorce" should be transferred to the Provincial Legislatures, subject to an agreed common definition of domicile.

Chapter 29—Education

88. Education as such should remain an exclusively Provincial power as at present, subject to the guarantees for minorities set out elsewhere in this Report.

89. The Provinces should create a permanent office for cooperation and coordination in education, and Federal participation should be confined to the area of Federal jurisdiction over the education of native peoples, immigrants, and defence personnel and dependents.

Chapter 30—Communications

90. The Parliament of Canada should retain exclusive jurisdiction over the means in broadcasting and other systems of communication.

91. The Provinces should have exclusive jurisdiction over the program content in provincial educational broadcasting, whatever means of communication is employed.

PART VI—THE REGULATION OF THE ECONOMY

Chapter 31—Economic Policy

92. The Federal Parliament and Government should retain the primary responsibility for general economic policy designed to achieve national economic goals. This means that they must have sufficient economic powers to regulate the economy through structural, monetary and fiscal policies.

93. National economic policies should take more account of regional objectives through coordinating mechanisms between governments and through considerable administrative decentralization in the operation of the Federal Government and its agencies.

94. Provincial and municipal governments should also take more account of national economic objectives.

Chapter 32—Trade and Commerce

95. Parliament should have exclusive jurisdiction over international and interprovincial trade and commerce, including the instrumentalities of such trade and commerce. Intraprovincial trade and commerce should remain under the jurisdiction of the Provincial Legislatures.

Chapter 33—Income Controls

96. In cases of national emergency, as defined by the Parliament of Canada, the Provinces should delegate to the Federal Parliament all additional powers necessary to control prices, wages and other forms of income, including rent, dividends and profits, to implement its prime responsibility for full employment and balanced economic growth.

Chapter 34—Securities and Financial Institutions

97. The matter of securities regulation, which has hitherto been under provincial jurisdiction, should become a concurrent jurisdiction with paramountcy in the Federal Parliament.

98. Where financial institutions (trust companies, insurance companies, finance companies, credit unions, caisses populaires) do business in more than one province, they should have to meet national standards as defined by the Federal Parliament; where they confine their activities to a single province, the Province should retain exclusive jurisdiction.

Chapter 35—Competition

99. The Federal Parliament ought to have a concurrent power with the Provincial Legislatures over competition in order that the regulation of unfair competition in all its aspects be subject to the national interest. In the event of conflicting legislation, the federal legislation should be paramount.

Chapter 36—Air and Water Pollution

100. Control over the pollution of air and water should be a matter of concurrent jurisdiction between the Provincial Legislatures and the Federal Parliament, and, as in section 95 of the British North America Act, the powers of the Federal Parliament should be paramount.

101. The concurrency of jurisdiction over the air and water pollution would necessitate both Federal-Provincial and Province-to-Province planning and coordination of programs.

102. We endorse the work of the Resources Ministers Council as a means of continuing consultation on matters of renewable resources.

Chapter 37—Foreign Ownership and Canadian Independence

103. The power of the Federal Parliament with respect to aliens should be clarified to ensure that Parliament has paramount power to deal with problems of foreign ownership.

104. The Federal Parliament should have the clear power to nationalize industry and expropriate land threatened by foreign takeovers or control contrary to the national interest.

105. The Federal Parliament should have jurisdiction over citizenship, and that power should include the power to promote national unity and a national spirit and to create institutions for these purposes.

THE SENATE

Wednesday, March 22, 1972

The Senate met at 2 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Final Joint Press Release on the Canadian Scientific and Technological Mission to Japan, March 6-15, 1972.

FOREIGN AFFAIRS

PACIFIC REGION STUDY—REPORT OF COMMITTEE TABLED

Hon. John B. Aird: Honourable senators, I have the honour to present the report of the Standing Senate Committee on Foreign Affairs respecting Canadian relations with the countries of the Pacific region. With leave of the Senate, I should like to make a few remarks at this time.

Hon. Senators: Agreed.

Hon. Mr. Aird: Honourable senators, in tabling this report I do not intend to make a lengthy statement. At this time there is no need to dwell on how much the Pacific region has shifted to the centre of the world stage in the 16 months since the committee began its study. However, I do believe that a few remarks should be made and are in order and that some salient points should be emphasized.

Several weeks ago the attention of the whole world was riveted on Peking, as the leaders of two superpowers broke through 20 years of confrontation and hostility to begin a process of communication and negotiation. Just 16 months ago it would have been impossible to even suggest that such a meeting could occur. Now it would be foolhardy to predict where this process may eventually lead. It is clear, however, that the profile of the post-war world is irrevocably changed. Accelerated change is coming at a whirlwind pace and a great deal of it is centered in the Pacific. Of course, Canada has been more than just an interested bystander in observing China's re-emergence into an increasing participation in the world community. We have had substantial and mutually beneficial trade relations with the People's Republic for more than a decade. Our exchange of diplomatic recognition in October 1970 was one of the first sure signs that the barriers were coming down. However, the Canadian role must be kept in perspective and accordingly the committee has been realistically modest and accurate about it. At the same time, the report does note that Canada is still the only developed country of the Pacific region which enjoys the full range of interstate relations with China. In this light, the committee believes that Canada can continue to play a useful contributory role in the search for normalization and stability in the Pacific.

• (1410)

In the months preceding this dramatic breakthrough in Chinese-American relations, the International Monetary System was going through its most drastic shake-up in decades. One aspect of this shake-up which should be stressed is that the international trading community has been forced to face squarely the "economic miracle" of post-war Japan. The implications for Canada are very important, and they constitute one of the main concerns in this report.

Also, in Canada's bilateral economic relations with Japan, 1971 was indeed a remarkable year. Japanese exports to Canada increased by approximately 38 per cent, while Canadian exports to Japan decreased slightly. The result was a dramatic reversal of the pattern of recent years in which Canada has enjoyed a substantial dollar surplus in its trade with Japan.

However, another characteristic pattern has not changed. The great bulk of our imports from Japan are fully manufactured products, while most of our exports to that country are virtually unprocessed raw materials. The committee has taken a firm position on this issue. The report states:

> It is no longer economically desirable (or perhaps necessary) for as much as 65 per cent of Canadian exports to be shipped to Japan in their rawest transportable and least profitable form.

There is also an obvious need for the diversification of our exports to Japan to include a much larger proportion of fully manufactured goods. The fact that less than 3 per cent of our exports to that country are in the form of end products is clearly unacceptable.

The report points out that there is no simple cause for this situation, but that remedial action is urgently needed.

The committee was gratified to see that these problems were the main concerns of the Canadian Economic Mission which visited Japan in January of 1972. It is significant that this mission, headed by the Honourable Jean-Luc Pepin, was the largest that Canada has ever sent anywhere in the world.

The impressive composition of this mission also testified to the growing realization that we must not only continue to press for the removal of official obstacles to our exports, but that Canadian exporting industries must show more dynamism and aggressiveness if they are to achieve any significant foothold in this highly competitive market.

Many of these comments apply, as well, to our other markets in the Pacific region. Nothing can be taken for granted and the committee suggests that perhaps too much has been. For example, as the report points out: "Canadians too often underestimate the importance of their economic relations with Australia and New Zealand." Solid effort will be needed to maintain these sizeable and reliable markets once the Commonwealth preference system comes to an end. In addition, honourable senators, while there is every reason for optimism that Canada will maintain its place in the Chinese market, this should certainly never be automatically assumed.

In all the new Pacific markets the same general situation prevails. In this region Canada faces the stiffest possible competition, often from well established suppliers. The committee's report urges the government to provide encouragement to Canadian exporters fully comparable with that provided by competitor countries. More co-operation and co-ordination between industry and government will be vital, and the report suggests some basic re-thinking as to how this can be achieved.

I have focused in these remarks on Canada's economic interests in the Pacific because at present these trade concerns are the most prominent factor in our relations with Pacific countries. Some of the problems the committee has identified, however, are much broader in their scope. The first chapter of the report is concerned with "awareness and understanding." In that chapter, the committee notes that "Pacific Asia is probably the least familiar to Canadians of all the world's great zones of civilization." Unless and until we as a nation learn a great deal more about these countries and their peoples, we shall only be able to play a limited and peripheral role in the Pacific community. As a first priority, then, the committee recommends a program of specific and concrete measures to increase Canadian awareness and understanding.

Not only must we learn about the Pacific countries, we must also learn from them. The committee considered that the recent Canadian Science and Technology Mission to Japan, headed by the Honourable Alastair Gillespie, was an important initiative in this regard. The agreements reached by this mission give every indication that our expectations were justified.

I have referred to the prospect of new and broader roles for Canada in the Pacific community. The committee gave a great deal of consideration as to how Canada can best contribute to the peace, stability and shared prosperity of this region. In essence, we recommend a contribution based closely on Canadian capabilities. The committee did not foresee the need for any extensive Canadian military role in this region, nor the desirability of Canadian participation in any bilateral or multilateral Pacific alliance.

Instead, the report urges that Canada mobilize its abundant economic and human resources to help attack the root causes of tension and instability in the Pacific. I am referring, of course, to the need for development assistance to the less developed countries of the region. In this field the needs are immense, and the report stresses the requirement for selectivity in order to make the best use of Canadian resources. In this endeavour the report emphasizes the scope for co-operation with the other developed countries of the region. Perhaps most important, however, the committee reiterates the view, expressed in the report on Canada-Caribbean Relations, that development assistance cannot be viewed as a mere "handout" or charitable donation. Without determined action and some sacrifice to allow the developing countries to pay their own way in the world economy, aid programs are of dubious value. This report, therefore, lays great stress on the need for policies and programs to provide expanding trade opportunities to these countries and the kind of investment which will be conducive to their long-term economic development.

Honourable senators, I have only touched on some of the main issues in the report at this time, but I commend it to your further attention. It represents a genuine, collective effort. In particular, I must express my special personal appreciation for the contribution of the deputy chairman, Senator Allister Grosart. He has been committed to this study throughout, and, as always, has played an active and expert role. Our committee is deeply indebted to him.

• (1420)

On behalf of the whole committee I should like also to express the hope that this report will be given proper attention. I must confess to some personal doubts as to whether the expert testimony received by our committees, their extensive analysis and their considered conclusions and recommendations are given sufficient weight by those responsible for the implementation of policy. The Caribbean report is a case in point. In spite of the enthusiastic reception given that report in all sectors of qualified opinion, and in spite of the energetic efforts made by Senator Paul Martin on his special mission, the response to its recommendations has been disappointing.

Honourable senators, our committees carry out an essential part of the work of this institution of Parliament. I would suggest that we have a responsibility to follow up on the performance achieved as a result of committee recommendations. In any event, I can assure you that the members of the Standing Senate Committee on Foreign Affairs will maintain a concerned and continuing interest in the action taken on this report on the Pacific region.

In conclusion, and on a personal note, I would just like to say that I take some pride in the presentation of this report today.

Honourable senators, I move that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

BANKING, TRADE AND COMMERCE

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

> That the name of the honourable Senator Gélinas be substituted for that of the honourable Senator Argue on the list of senators serving on the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-55 (ESSEX)—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-55, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed.

BILL C-74 (HIGH PARK)—THIRD READING

Hon. Mr. McDonald moved the third reading of Bill C-74, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed, on division.

BILL C-92 (RENFREW NORTH)—THIRD READING

Hon. Mr. McDonald moved the third reading of Bill C-92, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed, on division.

BILL C-167 (TROIS-RIVIÈRES)—THIRD READING

Hon. Mr. McDonald moved the third reading of Bill C-167, respecting the Electoral Boundaries Readjustment Act.

Motion agreed to and bill read third time and passed, on division.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS BILL 1972

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Martin for the second reading of Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

Hon. Jacques Flynn: Honourable senators, I have just been to a luncheon in honour of our guests from the Union of Soviet Socialist Republics and I did not have time to read all the notes that I dictated this morning. I shall try to do as well as the Leader of the Government usually does with someone else's notes.

Honourable senators, the essence and the important provisions of Bill C-8 are neither complicated nor new. The machinery of its application remains complicated. Some of the new provisions are merely technical. On the other hand, it still is a very important piece of legislation. For this reason, we are indebted to the Leader of the Government for the lengthy and valuable explanation he gave when he moved the second reading.

• (1430)

As he said, its principal effect will be to continue the Federal-Provincial Fiscal Arrangements Act of 1967 for another period of five years as far as equalization and stabilization payments to provinces and the agreement between the federal and provincial governments regarding the collection of corporate and personal income taxes and succession duties are concerned.

Parts IV and V are new and result from the coming into force of the new tax system. Part IV establishes the guarantee that the revenues of each province from personal and corporate income taxes combined will, for each of the first five years of the new tax system, be no less than they would have been under the old system. Part V gives the authority to the federal government to share with the provinces revenue from a special 15 per cent tax on certain distributions of corporate surpluses.

Finally, Part VI continues for two years, until another formula is found, the fiscal transfers by which the federal government finances 50 per cent of the operating costs of post-secondary education in Canada, under methods that may vary from province to province.

As I mentioned, this bill will replace the Federal-Provincial Fiscal Arrangements Act, Chapter F-6 of the Revised Statutes of Canada, 1970, which was passed in 1967. This last piece of legislation succeeded the Federal-Provincial Tax Sharing Agreement Act passed in 1959, replacing at that time legislation enacted in July 1956. In fact, the original Federal-Provincial Tax Sharing Agreement Act goes back to 1952. At that time it provided for a tax return payment to each province equal to 10 per cent of the federal tax revenue in such province on personal income tax, and also a payment of 9 per cent of the corporate tax earned in such province, and, finally, 50 per cent of the succession duties attributable to such province.

When I say that the act of 1952 was the original act, I must warn the Senate that, in fact, the source of our present system is to be found in the Tax Agreement Act of 1942. That act was passed during the war, and by it the provincial governments agreed to vacate the fields of personal and corporate income taxes and succession duties for the duration of the war in return for the payment of defined subsidies to the provincial treasuries.

We all remember that after the war ended the federal government was reluctant to revert to the situation prevailing before 1942, and, although the provinces at that time could resume the imposition of taxes on personal and corporate income and levy succession duties, the central government was able to persuade all of them, except Quebec, to continue with the idea of a federal-fiscal compensation for their abstention from re-occupying those taxation fields.

Of course, I am not speaking for the Leader of the Government, who was then in the other house. If I am not mistaken, he had at that time just become a minister of the Crown.

Hon. Mr. Martin: Not until 1945.

Hon. Mr. Flynn: Only three years later? Oh, I thought the Prime Minister had been quicker in recognizing the qualifications of my learned friend.

At any rate, in 1955 the Quebec government decided to re-enter the field of personal income tax, and the federal government made a first concession because of this. In the case of any province which would take such action as did Quebec, the resident of such province was authorized to deduct from his federal income tax up to 10 per cent in order to compensate to that extent for the income tax he had to pay to the province. It was not long after this first concession, and probably because of it, that the principle of equalization was born, as it was then realized that it was not in practice possible to go back to the pre-war system of each government operating on its own if we were to achieve some kind of equality in services to be supplied by the provinces.

The merit of these equalization payments is, of course, that they are unconditional and do not interfere with the discretion of the provincial governments in the use they can make of them. That is probably the reason why Quebec, which had until then been so much opposed to the continuation of the wartime fiscal arrangements,

agreed that the establishment of the equalization payments was a worthwhile improvement.

We have gone a long way from the act of 1956, but other than in this particular field of equalization, the fiscal jungle in Canada, I suggest, has grown thicker. The principles of the spending and taxing powers of both levels of government are harder to define today than they ever were, and we know that up to now it has been impossible for the provinces and the central government to reach any definite conclusion on this matter, even at the Victoria conference. The main reason for this failure is, of course, the fact that the central government has not been satisfied to make unconditional payments to the provinces, such as the equalization payments with which we are dealing now, but has decided to initiate joint programs in matters purely of provincial jurisdiction with the result that it has completely disorganized the priorities set by the provincial governments.

Conditional payments are in practice very hard to refuse, and it is a good way for the federal government to exert an indirect control on the initiatives of provincial legislatures and governments.

• (1440)

Of course, I recognize that in many instances the federal legislation has provided for an opting-out formula which has enabled the Province of Quebec in particular to have a better control of its own affairs. However, I have always wondered why these fiscal arrangements between Ottawa and the provinces have not used the equalization principle to solve practically all the problems of the services which should, under the Constitution, be supplied by the provinces.

The Leader of the Government indicated in his speech last night that the bill rested upon six principles. He stated that:

> —the fiscal arrangements between the federal and provincial governments should give each level of government adequate access to tax resources to discharge its responsibilities.

I deny this. I think that the Leader of the Government meant tax revenues, because no easier access to any tax source has been given to a province by these fiscal arrangements.

He defines the second principle as having the effect "that each level of government should, as far as possible, levy its own taxes."

It seems to me that the fiscal arrangements have had exactly the opposite results. Whether or not in the case of some provinces it is a good thing is another matter which can be dealt with on another occasion. Yet, I am in agreement with the third principle that:

> —federal equalization payments should be recognized as essential to help provinces provide an adequate level of public service.

This has always been the case, and I suggest it is the only valid reason for this bill to exist, and to provide equalization payments.

The fourth, fifth and sixth principles are so obvious that the Leader of the Government could have by-passed them, for they have no possible application to this bill.

Is it not obvious "that the federal authority should at all times have both theoretical and practical authority to discharge its full responsibilities"?

Is it not obvious "that the federal-provincial arrangements should aim for the principle of uniform application of federal laws in every province of Canada"?

Is it not obvious "that there should be co-operation in the establishment of policies and priorities in federal-provincial arrangements"?

This is, of course, typical Martin prose. Even if I agree with the Leader of the Government that this act is one of the most important documents delineating the financial relationships of the federal and provincial governments, I cannot refrain from stating that it is mainly designed to permit the federal government to remain the first and practically the sole beneficiary of personal and corporation income taxes.

The Leader of the Government has emphasized and boasted about the fact that a major jump in equalization payments has been made since 1967 when the amount was $546 million compared to $1 billion for the present year, and projections indicate that this figure may reach $1.5 billion at the conclusion of the present arrangements in 1976-77. But I suggest to him that the government should not boast about this, because it is collecting at least twice as much in revenues for 1971 as it did in 1967, and probably in five years time its revenues will have increased by 50 per cent.

Another comment I should make concerns the statement made by the leader that if the federal government attempted to make direct payments to low-income Canadians sufficient to generate compensating tax revenue for these provinces, it is estimated that the payments would have to total a net $13 billion to $14 billion. I was not surprised that Senator Croll should jump to his feet when he heard that last night. As far as I am concerned, these figures appear to be unrealistic or, at least, they are presented in a way to create confusion or a smoke screen behind which this government is trying to hide a definite rejection of the principle of guaranteed income.

We knew that this would be the attitude of the government when it published its White Paper on Welfare just a few months before our Special Committee on Poverty was to report.

I want to add a final word concerning Part VI of the bill, which extends for two years the fiscal transfers to the provincial governments for the operating costs of post-secondary education. Apparently, the government has not been able to devise a new formula or a new arrangement acceptable to the provinces and to the institutions concerned. I hope that the consultations will proceed quickly in order that the extension of programs in this field can be decided and proceeded with without undue delay.

Of course, I expect the bill to be referred to the Standing Committee on Banking, Trade and Commerce where we would have an opportunity to raise questions on many of the ancillary problems.

Hon. Ernest C. Manning: Honourable senators, I wish to speak briefly to the bill which is before us. However, before I proceed I would like to express my appreciation

to the Leader of the Government for his lucid explanation of the bill's provisions which he gave last evening.

Early in the 1940s, when we were under the pressures and tensions of World War II, a number of conferences were held between the Government of Canada and the provincial governments to work out more satisfactory fiscal arrangements. Honourable senators are aware that out of these deliberations came the initial federal-provincial fiscal arrangements, the concept of rental of fields of revenue from the provinces to the Dominion Government, and later on, the introduction of equalization payments, which is a very prominent feature of this bill.

• (1450)

I call attention in passing to the fact that today there is probably no intention of terminating this type of fiscal arrangement. It was during World War I when for the first time the Government of Canada entered the personal income tax field as a temporary measure, but federal income tax has become one of the most permanent provisions of our financial structure. If there is any lesson to be drawn from these cases, it is that government at all levels should be very careful when they enter into temporary arrangements, because history shows they very rarely are temporary but tend to become permanent features.

The importance of this bill is obvious. It was pointed out last evening that some of the provinces, particularly Newfoundland and Prince Edward Island, will derive approximately 65 per cent and 55 per cent of their revenue from the equalization payments provided under this statute. At the other end of the spectrum it is of equal importance to the three provinces of Ontario, British Columbia and Alberta by reason of the fact that the formula embodied in this legislation excludes them from participation in the federal government's equalization payments. They are by this legislation in the category of contributors but not recipients.

I should like to confine my remarks to Part I of the bill, which deals with the matter of equalization. The Leader of the Government was correct when he stated last evening that in general the concept of equalization is accepted in this country. The criticism and debate which evolves around the equalization formula has to do with two aspects. One, the extent to which equalization should be carried and the other, those features of the formula under which eligibility for equalization is determined and the amount of equalization payments ascertained. I would draw attention to two criticisms of the formula by which the eligibility for equalization payments is decided.

One of these has always been of special concern to the Province of Alberta, because it is affected by this provision more than any other province. I refer to the inclusion in the revenue sources as defined by this bill of revenues obtained from cash bonuses received from the sale of oil and natural gas rights. It has always been the contention of Alberta that this source of revenue should not be treated as being in the same category as the other sources of revenue included in the formula. There are some obvious reasons for this contention. In the first place, the use of cash bonuses as a means of obtaining revenue from the development of natural resources results from a policy decision and is not the only method by which such revenue could be obtained. In the formula embodied in this bill, the choice between two or three alternative policies can have a significant effect on both the eligibility of the province to qualify for equalization payments and the national average income from the source of revenue. This becomes important because it is the basis on which other provinces qualify for equalization if their income falls below that national average.

To illustrate my point, the Province of Saskatchewan at one time used the practice of charging overriding royalties on the sale of crown leases. A fixed royalty, similar to that paid in Alberta, was employed, but when their leases were offered for sale, instead of inviting cash bonuses, those bidding for the leases would offer to pay "X" per cent of the production as additional overriding royalty throughout the life of production.

There are arguments for and against that formula as compared with cash bonuses, but one of its effects is to spread the income to the provincial government over the entire life of the well, which might be 25, 30 or 35 years. The annual income would therefore be less than that under a formula in which cash bonuses were invited and all payments received when the leases were purchased. A very different revenue figure for the purposes of this bill's equalization formula would be produced if the overriding royalty were used under which the income is spread over 30 or 35 years.

It was also the contention of the Province of Alberta that revenue from these cash bonuses should be treated as being in the category of capital income as distinct from current income derived from royalties, rentals, and so on.

Honourable senators are perhaps aware that in the case of Alberta and Saskatchewan, although they became provinces in the year 1905, their natural resources were administered by the Government of Canada until 1930, when they were transferred to the provinces under what was known as the Natural Resources Transfer Agreement. The practice as far as Alberta was concerned from that time was not to dispose of the title to any of these mineral rights. It was for this reason that they could invite cash bonuses on leases when they were offered for sale. For the reasons I have stated, it has always been the feeling in Alberta that it is unfair to include revenues from these cash bonuses in the formula which determines eligibility or otherwise for equalization payments. These cash bonuses have been one of the major factors which excluded Alberta from eligibility. Including these bonuses in the revenue base has also had the effect of significantly increasing the national aggregate income from natural resources, which again affects the amount of equalization payments to which other provinces are eligible. Many representations were made on this matter, but it was always the decision of the federal government that cash bonuses must be included.

• (1500)

Another criticism is the excessive broadening of the revenue base on which equalization payments are now determined. I appreciate that there is argument for having the base broad, but I submit that this concept can be carried beyond a point that is logical. In applying the concept of equalization to individual income, no one would argue that income of all citizens should be equal. We all agree that to some extent there should be equaliza-

tion, and much of our taxation system is designed to take from those who have and distribute it among those who have less or, through misfortune, have nothing at all. We all accept that. However, I think we would all agree that there is a point beyond which equalization cannot be extended without having a detrimental effect.

In my view we have made the revenue base under this formula too broad, in that it tends to discourage initiative in those provinces which have peculiar circumstances or particular resources which afford opportunity for development.

In a country as large and diversified as Canada, we cannot pour all regions into a common mold. Circumstances differ significantly from one region to another.

The Leader of the Government (Hon. Mr. Martin) last night mentioned that no one would argue that this formula was the last word, that a lot of thought had been given to an alternative but that nothing new had yet been determined. I can only express the hope that such efforts will continue. In my view the present formula could be significantly improved.

Some years ago during one or two federal-provincial conferences on this question, a discussion took place on a concept advanced by Alberta, which I personally feel has merit and I hope will still be considered. Briefly, the concept was that rather than have across-the-board equalization payments, we should recognize three major areas of national social concern, namely, education, public health, and social welfare—areas in which Canadian citizens are entitled to a reasonable standard of service whether they live in one part of the country or another.

For the purpose of aiding those provinces not able to provide adequately in these three major areas, it was suggested that consideration be given to introducing a joint federal-provincial personal and corporate income tax, with the money going into a fund for distribution to all provinces on a per capita basis for education, public health and social welfare.

The thinking was that personal and corporate income tax reflect the economic growth of each province and of the country as a whole. Under such a formula, a province having a more buoyant economy and greater resources would contribute a good deal more than one whose economy was depressed.

I admit that such a concept faces difficulties. It will be said immediately that there is no constitutional provision for a joint federal-provincial personal and corporate income tax. That is true, but anyone examining this bill is conscious of the many things which have been done by agreement. It would be difficult to argue that a joint federal-provincial agreement on personal and corporate income tax would be any more difficult than what we have here.

The reason for the suggestion that revenue be derived from joint federal-provincial personal and corporate income tax was to distribute more fairly the responsibility between the provinces and the Government of Canada whenever it was necessary to increase the rate of taxation to meet rising costs within the three fields of social services to which I have referred. All provinces appreciate that it would not be fair to ask the federal government to levy such a tax on its own, and subject it to all the political criticism whenever an increase was necessary. The provinces, being the recipients of the payment, would receive all the credit, and the federal government would receive all the criticism. A joint tax would spread the responsibility fairly and would have definite advantages.

I should like now to comment on the criticism levelled at the whole concept of equalization payments which arises from time to time. As honourable senators know, at the present time one Canadian province is proposing court action, its argument being that equalization payments may be unconstitutional. I do not propose to deal with that point. I simply point out that there is criticism of the way the whole equalization program is working out.

We are all aware that criticism frequently centres on the amount of money paid under the equalization program to the Province of Quebec. The answer usually given is that such criticism is unfair because Quebec receives, on a per capita basis, substantially less than that received by some of the other provinces.

The Leader of the Government last night mentioned that Prince Edward Island and Newfoundland receive $213 per capita under this formula, and Quebec receives only $74 per capita. I would point out that trying to deal with criticism of equalization by quoting per capita figures does not meet the case. The concern to the Canadian taxpayer, and even more, the concern to the taxpayers of those provinces which are contributors to this program but not recipients—Ontario, British Columbia, and Alberta—is not the per capita amount paid to each province but the total dollar cost of the program. If you look at it from that standpoint you can understand why Quebec is singled out. If you pay $213 per capita to the Province of Prince Edward Island, the cost to the Canadian taxpayer is about $21 million, but if you pay $74 per capita to the Province of Quebec with a population of 5½ million the cost to the Canadian taxpayer is something over $400 million, and this, of course, is the factor that gives rise to the criticism. There is also a second factor which I feel must be recognized by the Government of Canada and by the government and citizens of the Province of Quebec. If it is recognized, it may at least help them to understand why these criticisms are voiced.

• (1510)

When Canada became a nation over 100 years ago, the Province of Quebec was one of the original provinces along with Ontario, the Maritimes and, shortly thereafter, British Columbia. It is significant that from the standpoint of resources you have four provinces in Canada which are particularly fortunate, Ontario, Quebec, British Columbia and Alberta. I do not mean by that to take anything away from the other provinces, but it is a recognized fact that those four geographical areas are particularly fortunate as far as natural resources are concerned. The Province of Quebec, from a resource standpoint, is a rich province. It ranks with Ontario, British Columbia and Alberta. It has had over 100 years as an integral part of Canada to develop those resources and expand its economy.

I do not intend to go into the reasons why it has not been successful in this regard, but you cannot escape the fact that today Ontario, one of the original provinces in Con-

federation, is excluded under this formula because her economic growth has put her in a position where equalization payments are not justified. British Columbia, again one of the original partners, is in the same position. Alberta, which did not become a province until 1905, is in the same position. Quebec had a 35-year head start on Alberta as far as economic development is concerned.

One of the things that concerns people in our part of Canada is why should a province with such vast natural resources, and in Confederation for 100 years, be in a position today where, under a formula of this kind, it qualifies for some $400 million in subsidies from the rest of Canada in order to provide a standard of services that most of us, if not all, agree are desirable and necessary.

I point this out because I do not feel that we serve Canada by shutting our eyes to this problem. The criticisms are real and understandable. When we talk about equalization as being one of the necessary things to strengthen unity between the provinces of Canada, my submission is that such unity will not be attained unless these valid criticisms are recognized and faced and adjustments made in the equalization formula which will minimize such criticisms, if not eliminate them.

Hon. Eugene A. Forsey: Honourable senators, I should like to say a few words about this bill, if I may, before it is read a second time. First of all, I have noticed that in a good many of the public speeches on this question of equalization payments, the expression "these payments are made by the rich provinces" is used, and there appears to be some misunderstanding of the ambiguity of that phrase.

I feel it is necessary to point out that not one copper of the equalization payments comes from the revenues of any provincial government. I find a curious obtuseness in the remarks of some people to this effect, and I felt the matter deserved some clarification.

The second thing I should like to say something about is the argument which the honourable Senator Manning said he was not dealing with: the argument put forward by the Government of British Columbia that there is something illegal and unconstitutional about the equalization payments because of alleged provisions in the British North America Act requiring equal treatment for all provinces in such matters. It ought to be recognized in the first place that there is not one syllable in the British North America Act or any amendment to that act from start to finish which provides the slightest trace of ground for the contention that the equalization payments are illegal. The whole suggestion is utter nonsense.

Hon. Mr. Flynn: For that reason.

Hon. Mr. Forsey: On the contrary, if one examines the British North America Act and all subsequent enactments by both the Parliament of the United Kingdom and the Parliament of Canada, a whole series of instances of unequal treatment will be found. I do not want to go into them in detail today but anyone who wishes to can look at sections 104, 112, 114, 115 and 116 of the British North America Act, 1867, and find written there a number of unequal treatment provisions. Whether this is good, bad, or indifferent, is neither here nor there for the purpose of my argument. But written in there are provisions for payments of interest on fictitious debts, and special payments not related in any way to the size of the province or the population of the province.

There is a whole string of inequalities. For example, by section 119, the Province of New Brunswick was to receive for ten years, over and above anything it got under this system of unequal payments, a further subsidy of $63,000 a year, subject to certain deductions under section 116.

When British Columbia joined Confederation in 1871, you will again find special provisions regarding payments of interest on a fictitious provincial debt, and that provincial debt was to be calculated on the basis of the average per capita debt of the Provinces of Nova Scotia and New Brunswick which was $27.77.

When Prince Edward Island joined Confederation in 1873, again a series of inequalities, even apart from the provision for compensating Prince Edward Island for the fact that it had no public lands: they had all been grabbed by absentee landlords long before.

In sections 24 and 25 of the Manitoba Act of 1870, again you have this whole apparatus of payments to the provinces on the basis of a fictitious debt, and special arrangements by which, if the population increased so much up to a maximum of 400,000, such and such would be paid. In the Alberta Act and the Saskatchewan Act again there are provisions for payments respecting purely fictitious debts, and all kinds of inequalities.

Between 1867 and 1907 a number of acts were passed by the Parliament of Canada giving special treatment to various provinces beginning, of course, with the celebrated act of 1869 providing for better terms for Nova Scotia. The provinces from that time on have played the same leapfrog game that you sometimes get now with various unions in collective bargaining—"If they get so much, we get so much. We must get more because they get more." By the beginning of the century the Government of Canada was getting fed up with this, and accordingly called a dominion-provincial conference, which drafted the substance of the British North America Act, 1907, which again embodied a series of inequalities, as anyone can satisfy himself by looking at the act.

• (1520)

For example, British Columbia was to get, over and above what it was entitled to by the general provisions, $100,000 a year extra for 10 years, and the population on which certain grants were to be based was to mean for the three Prairie provinces the population at each quinquennial census, or a statutory estimate half way between each quinquennial census and each decennial census. But for the other provinces it was to mean the population at each decennial census. Prince Edward Island and British Columbia were in no case to get less under the act of 1907 than they would have got under the old act at July 1, 1907, and no grant to either was to be decreased even if the population decreased.

You can look up a string of things like that and find Canadian acts on the subject, and British acts, amendments to the British North America Act. The whole thing has been riddled from the beginning, in the Constitution and by action of Parliament under the Constitution, with

inequalities as between province and province, and for stated reasons which were set out in the legislation in most cases. It seems to me impossible to think of any set of provisions in any legislation which would be further from embodying equal treatment of all the provinces in this matter.

The next point I want to make is that, if you talk about substituting for equalization payments to provinces payments to individuals, you have not only the colossal financial amount involved, which the Leader of the Government mentioned last night, but you have a misapprehension, it seems to me, of the whole purpose of equalization payments for provinces. The purpose is not to equalize individual incomes in any way, shape, or form, but to equalize, or come somewhere near equalizing, public services, and I emphasize both the adjective and the noun. That is what it is there for.

The fourth point I should like to mention is that I am sorry it has not yet been found possible to make some provision in the equalization formula for the difficulties of municipalities. There is a passage in the report of the Joint Committee on the Constitution on this subject at page 27, which I hope will be taken account of in subsequent revisions of this whole scheme of equalization payments, which obviously is some distance off. However, I commend to the attention of honourable senators and the government the point which is made, very briefly, in one paragraph in the second column on page 27 of the report.

I want to mention also the question of the provisions for post-secondary education. I was very glad to hear what Senator Flynn said on that subject, which I heartily endorse. I should like also to call the attention of honourable senators to the excellent speech on this subject, as it seemed to me, of Mr. Gordon Fairweather in the other place. I shall refrain from quoting anything from it, because that would be to paint the lily and gild refined gold, besides taking up the time of the house unnecessarily.

I wish to mention the excellent illustration that Part III gives of the uses of administrative delegation, this arrangement for the Dominion to collect the succession duties of six of the provinces for a limited period. When the Constitution Committee was considering the question of delegation of legislative power back and forth between the Dominion and the provinces, most of us eventually came to the conclusion that such legislative delegation was undesirable. It is, of course, constitutionally impossible at present. We also stated our conviction that administrative delegation, such as is embodied in Part III of this bill, is practicable, highly desirable, and very useful.

The last thing I want to refer to, very briefly, is the point Senator Manning made about the Province of Quebec having had a 35-year head start on Alberta in the matter of natural resources. With great respect, I do not know that that is to me a very impressive argument, because a great deal seems to depend on the state of technology at the time. A great many of the natural resources of Quebec as we know them now were completely unknown, even unsuspected, at the time of Confederation, just as up until a comparatively recent date the immense oil and gas resources of Alberta were completely unknown and unsuspected.

I remember when I was lecturing on Canadian economic problems at McGill University back in the early thirties one point I used to make was that we were almost completely dependent in this country on external sources for our supply of petroleum and petroleum products. Now, of course, this is a preposterous, ridiculous statement. In those days, however, it was perfectly true. Nobody had any idea of the great resources that were lying hidden there.

I venture to suggest that to a certain extent this has been true also in the Province of Quebec, and it is no use hinting or implying that if the Province of Quebec had managed its affairs better—although Senator Manning was very careful to cast no aspersions—it is no use implying, even unintentionally, that if the Province of Quebec had managed its affairs better it would have developed some of these natural resources earlier, and would now be in the same condition of, shall we say, almost unlimited affluence as the great province over whose destinies Senator Manning presided with such distinction for so long.

I think there is more to be said on this score than Senator Manning said. I am not prepared to say that every Quebec government since Confederation has managed its natural resources with the wisdom of Solomon, but I do think that there were certain limiting technological, scientific and economic factors which, to some extent, invalidate what Senator Manning was saying just now.

I wished particularly to place on the record some of those provisions of the Constitution for the highly unequal distribution of payments of this sort as between the provinces. I pity the unfortunate lawyer who has to take a brief for the Government of British Columbia in this particular case. I was misquoted in the press on the subject, only slightly, in a literary fashion. I said that he would need, not, as I was reported, the hide of a rhinoceros and the head of an ostrich, but the hide of a rhinoceros and the stomach of an ostrich to be able to swallow the preposterous legal arguments that he would have to produce before the Supreme Court of Canada, to the accompaniment, I am afraid, of sad smiles from the members of the bench.

Hon. Paul Martin: Honourable senators—

The Hon. the Speaker *pro tem*: Do I understand that the Leader of the Government would like to close the debate?

Hon. Mr. Martin: Yes.

The Hon. the Speaker *pro tem*: If the honourable Senator Martin speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Martin: Honourable senators, I am sure we all agree that among the functions of this chamber perhaps few are higher than giving consideration to a matter involving the interests of the ten provincial constituents of our Confederation. Indeed, as we have been reminded from time to time, and particularly by Senator Molgat last night, one of the essential considerations that brought about an accommodation of Confederation was that there would be an Upper House, one of whose prime responsibilities would be to follow the regional interests of Upper and Lower Canada as well as the Maritime provinces. We are living up to the purpose of that arrangement

when we pay attention to a measure as important as this particular bill.

• (1530)

In addition to the participation of the Leader of the Opposition, we heard Senator Manning, the former Premier of Alberta. He has had a lot to do with what Professor Simeon calls federal-provincial diplomacy in his book *Federal-Provincial Diplomacy*. Senator Manning has had much to do with this problem. This was reflected in the speech he made a few minutes ago.

Federal states have different ways of bringing about a sharing of their revenue, whether state or provincial and federally based. In our Constitution there is an obligation, under section 91, for the federal government to discharge its responsibilities, and for the provinces, under section 92, to discharge theirs. This requires increasingly more revenues to meet obligations by both regimes. The federal government, in the extension of the equalization principle, continues to recognize, as it has since 1942, the responsibilities of the provinces.

The federal spending power under our Constitution has no limits. While there is a limitation on the taxing powers of the provinces, there is at present, notwithstanding the Joint Committee on the Constitution, no limitation whatsoever on the spending power of the federal government.

Hon. Mr. Croll: The taxpayers?

Hon. Mr. Martin: Speaking for myself, I find it difficult to conceive how it would be desirable to place any limit on the spending power of the federal government.

Hon. Mr. Flynn: Common sense should govern.

Hon. Mr. Martin: I support the point Senator Forsey was seeking to make. Any suggestion that these equalization payments are unconstitutional does not seem to have any legal or constitutional base. Because if there is no limit on the spending power of the federal government there consequently cannot be any restraint on what it does either in terms of direct payments to individuals or to provinces. One would not expect that this argument, made in recent days, would have a great consequence.

Most of what Senator Forsey had to say, as I followed him, was not so much with regard to equalization payments but with regard to subsidies which are part of the arrangement made by the originating provinces in 1867. This is provided for in the British North America Act. Subsidies were to be paid annually by the federal government to the provinces. We continued to do that long before the advent of equalization. Senator Forsey said: "But what about the municipalities?"

Hon. Mr. Forsey: If I may interrupt the leader for a moment, the only point I was trying to make, in referring to the subsidies, was that the principle of unequal treatment of the provinces was written into the Constitution.

Hon. Mr. Martin: Yes, that is right. The amount of subsidies paid to one province was not necessarily the same as that paid to another. Senator Forsey was quite correct, but the principle of equalization is superimposed on the subsidy payments that now find themselves in the very heavy amounts of money that are transferred from the federal government to the provinces.

[Hon. Mr. Martin.]

In regard to the position of municipal governments in this country, it must be realized that the moneys that are transferred by the federal government to the provinces, in either the form of equalization payments or in the greater body of financial outflow to the provinces, are part of the calculation made in the discussion between the federal and provincial governments. These payments include the provincial governments' requirements to cover that kind of assistance which result in payments by provincial governments to municipalities. So the point that Senator Forsey made is achieved indirectly.

Honourable senators, there will be an opportunity for further discussion when this bill gets to the committee. I hope that may occur tomorrow, so that the Minister of Finance can attend—and, in any event, the Minister without Portfolio, or someone acting for him. At present, it is the intention of the Minister of Finance himself to be there.

Hon. Mr. Flynn: You do not want royal assent tomorrow?

Hon. Mr. Martin: No.

Hon. Mr. Flynn: Before next week?

Hon. Mr. Martin: The Standing Senate Committee on Banking, Trade and Commerce is to meet tomorrow morning at 9.30 o'clock, I understand, and the Minister of Finance has arranged to be present at that hour.

Hon. Mr. Flynn: I would ask whether there is any objection to royal assent being allowed to wait until we come back after Easter.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Martin, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

The Hon. the Speaker pro tem *left the Chair.*

Hon. Donald Smith in the Chair.

TERRITORIAL SUPREME COURTS BILL

SECOND READING

Hon. George van Roggen moved second reading of Bill S-3, to change the names of the Territorial Court of the Yukon Territory and the Territorial Court of the Northwest Territories.

He said: Honourable senators, this is a somewhat mechanical bill, to change the name of the Territorial Courts of the Yukon Territory and the Northwest Territories to that of the Supreme Court of those respective territories.

It gives me particular delight to have the opportunity of sponsoring this bill. I am probably the only member of this chamber who has ever practised on a continuous basis in either of the Territories, having practised before the bar in the Territorial Court of the Yukon Territory for approximately eight years in the 1950s. I have been involved in some 10 or 15 capital cases, and numerous civil and criminal cases, before that court.

• (1540)

There are three courts in both of the Territories. There are the magistrates courts, the Territorial Courts, and their respective courts of appeal. The magistrates courts are, generally speaking, the same as those in the provinces. The Court of Appeal for the Yukon Territory is the Court of Appeal for British Columbia with the addition of both of the Territorial Court judges. The Court of Appeal for the Northwest Territories is the Court of Appeal for Alberta, again with the addition of both of the Territorial Court judges. This bill deals only with the Territorial Courts and only with the name of the Territorial Courts. It deals with nothing else.

I might say with some feeling that I am particularly delighted that these courts will now be known as supreme courts or superior courts by name, because this in fact is what they have always been in so far as the extent of their jurisdiction, which is unlimited, is concerned, and in so far as the quality of justice which has been administered by them over the years is concerned.

Honourable senators, you may be interested in a short resumé of the background leading to this proposed legislation. In 1970 Parliament gave increased autonomy in the fields of administration of justice to each of the Territories. This included power to make ordinances in relation to "the administration of justice in the Territory, including the constitution, maintenance and organization of Territorial Courts both of civil and criminal jurisdiction." This power is similar to that vested in the provinces by section 92 of the British North America Act.

In the early part of 1971, many of the functions carried out with respect to the Territories by the Department of Justice in Ottawa were transferred to the Territorial Courts as contemplated by the legislation to which I have just referred. Both Territorial Councils constituted the same courts that existed previously under the Yukon Act and the Northwest Territories Act and, at the outset, retained the same names for the Territorial Courts.

Last June, however, the Territorial Council of the Northwest Territories enacted an ordinance to change the name of the Territorial Court of the Northwest Territories to the Supreme Court of the Northwest Territories. In November the Territorial Council of the Yukon Territories did the same thing with regard to the Territorial Court there. Both of these ordinances are to come into force on days to be fixed by order of the commissioner of each Territory. You will note that the bill before you is to come into force on proclamation. The reason for this is to enable this legislation to come into effect at the same time.

Federal legislation is required, of course, so that the Territorial legislation can be fully effective because of the numerous references in federal laws to the Territorial Court. These references are in the schedules to the bill.

I might add as a side note that the statutes listed in the schedules were located by the use of a computer, which is part of the new jurimetrics program of the Department of Justice. We can all hope for the sake of those practising before the Territorial Courts in the future that the computer was accurate.

This bill has no effect on the authority to appoint the judges of the Territorial Courts, which will still remain with the federal government, as is the case with respect to judges of the provinces. It also has no effect on the number of judges. There is only one full-time judge for each court, and there is no plan to increase that number.

As I have indicated, the purpose of the bill is to give full force to the new Territorial laws by changing in the federal legislation the names of the two courts, one in each Territory, so that the names of those courts will conform to the style used in most of the provinces, particularly British Columbia and Alberta, with whose courts the Territorial Courts are most closely associated.

Honourable senators, I have no objection, of course, to this bill's being referred to the Standing Senate Committee on Legal and Constitutional Affairs, but that might well be unnecessary in view of the rather mechanical nature of the bill.

Hon. John M. Macdonald: If I may add a word, honourable senators, this bill is very straightforward. It just changes the names of the courts. I do not see any point in sending it to a committee. There is really no need to do so.

Motion agreed to and bill read second time.

The Hon. the Speaker *pro tem*: Honourable senators, when shall this bill be read the third time?

Hon. Mr. van Roggen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

UNITY BANK OF CANADA—SECOND READING

Hon. Maurice Bourget moved the second reading of Bill C-164, to incorporate Unity Bank of Canada.

He said: Honourable senators, in June of 1971 Senator Hédard Robichaud introduced Bill S-22, to incorporate United Bank of Canada. On June 15 of the same year he moved second reading and his remarks can be found at pages 1135 to 1137 of the *Debates of the Senate* of that day.

After his speech the bill was read the second time and referred to the Standing Senate Committee on Banking, Trade and Commerce.

On September 15 and October 6 of the same year the Standing Senate Committee on Banking, Trade and Commerce dealt at length with the bill, heard witnesses, and reported it without amendment. The bill received third reading on October 7, 1971, and was sent to the House of Commons. Unfortunately, Bill S-22 died on the Order Paper of the House of Commons at the end of the last session.

The bill now before us, Bill C-164, was introduced in the House of Commons at the beginning of the present session. It received second reading on March 2, and was sent to the Standing Committee on Finance, Trade and Economic Affairs of the House of Commons. That committee dealt with it on March 16 and, after lengthy discussion, unanimously approved it, except for the use of the name United Bank of Canada. There was opposition to this name from the United Trust Company. As a result of the objection, the name was changed on third reading in the House of Commons to "Unity Bank of Canada", et en

français, "L'Unité, Banque du Canada", and the bill, as amended, was unanimously approved on third reading by the House of Commons on the same day, March 16.

• (1550)

Bill C-164 is exactly the same as Bill S-22 introduced in the last session, which was unanimously approved by the Senate last year except for the change in name. I do not think it necessary to repeat at this time what was said by Senator Robichaud when he moved the second reading of Bill S-22 because that material is available to all honourable senators.

The bill is drafted exactly as required and specified by section 8 of the Bank Act which covers the incorporation and organization of banks. Its wording complies with Schedule B of that act.

Mr. Scott, the Inspector General of Banks, appeared before both committees and advised that this application is in order and he could see no objection to it.

Honourable senators, this bill commends itself for your support and if it receives second reading it is my intention to move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce where you will have the opportunity to ask any questions you wish.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Hon. Mr. Bourget, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.

The Hon. the Speaker pro tem *(Hon. Mr. Bourget) resumed the Chair.*

SCIENCE POLICY

CONSIDERATION OF VOLUME II OF REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, March 15, the adjourned debate on the consideration of Volume II of the Report of the Special Committee on Science Policy, tabled in the Senate on Thursday, February 24, 1972.

Hon. Allister Grosart: Honourable senators, the broad outlines of the recommendations made by your Special Committee on Science Policy in Volume II have been well covered in the speeches made by Senator Lamontagne and Senator Cameron. My particular assignment is to deal with one part of the report which can perhaps be described as the core of the report, and that is three chapters dealing with the vital necessity for some drastic changes in Canadian policy in respect to innovation in industry.

The committee finds that these drastic changes, and I emphasize the word "drastic" because that is the word used in our report—are necessary immediately if we are to ensure our survival as an industrialized western country in today's science and technology race. I would say that it is quite impossible for any one to overstress the imperatives of these findings by the committee. In the report we use these words:

> —if we want to continue to improve our standard of living and to produce more employment opportunities we must re-orient our national economic objectives and strategy. We must build new areas of comparative advantage, put the emphasis on manufacturing industry and develop an aggressive technological strategy to promote economic and social innovations. (Given the weaknesses of the manufacturing sector of the Canadian economy, this emphasis is essential even if we go on increasing the rate at which we exploit our resources.) Canada needs a new national policy adapted to the world environment of the next decades. For the first time in our history we must be an innovative nation.

Those are the words that appear in the committee's report.

The core of this new national policy suggested by the committee is what we call a new industrial strategy, a strategy that would be new, coherent and positive. We contrast it in a brief run-over of some historical developments in our foreign trade and tariff policies with what we call the "passive strategies of the past" pointing out that over a long period of time Canadian economic policy has relied on imported technology rather than on indigenous technology and on the exploitation of our resources. It is true, of course, that we have attained a position of importance in the industrial world today, but we sometimes forget that the main reason we have been able to do that has been the richness of our resources which we are exploiting and which we continue to exploit, and it is the recommendation of the committee that we call a halt to the present kind of exploitation of our resources and use the tremendous bargaining power of those resources to improve our position in world markets for our manufacturing industry.

Obviously a new industrial strategy must be based on the use of modern technology, not only our own, because at best we are not likely ever to be able to contribute more than 2 or 3 per cent to the world's stock of technology, so we will have to learn, as we have not been able to learn in the past, to make use in the development in our own manufacturing industries of the technology of the world.

Senator Cameron dealt at some length with that aspect of the problem which was dealt with in one of the chapters of our report where we stress the importance of the development in Canada of a science and technological information service which will render us capable, as the Japanese, the Swedes and the Swiss and others, of looking around the world, keeping ourselves up to date with new developments in technology and turning our own skills, our own scientific and other skills, which are abundant, to the use of these technologies in our own secondary industries. The report indicates that nothing less than what has been referred to as revolutionary change is needed. However, the chairman and others have insisted that it is really, in essence, an evolutionary change. My own feeling in examining policies of the past is that this report offers solutions in terms of present policies, structures and organizations which are revolutionary. The report indicates that nothing less than what looks to me

like revolutionary change will bring about the necessary specialization, improved productivity, built-up innovative capacity, and substantially increased flow of technological innovation.

• (1600)

To indicate the general flavour of Volume II, I would like to read the following headlines from several Canadian newspapers indicating points of views which others have expressed regarding the report:

The Toronto *Daily Star* of January 18, 1972: "Innovate or Stagnate, Science Report warns Canada."

The Montreal *Star* of January 18, 1972: "Canada urged to pay price of Independence."

The Ottawa *Citizen* of January 18, 1972: "Industrial Revolution: way to our technological survival" and also: "Senate price on industrial success—$4.75 billion."

The *Globe and Mail* of January 19, 1972: "Report urges coherent overall science policy, research priorities, new industry strategy." And also "Innovation envisaged as main growth source."

The Ottawa *Journal* of January 18, 1972: "The price of survival: 'Innovation'—Science Committee."

Time magazine of January 24, 1972, in its report on Volume II: "For a new industrial renovation."

The Windsor *Star* of January 18, 1972: "Senators put it bluntly: Innovate or go under." Also "Canada needs industrial revolution, report says."

What then is the present situation in this country? What are the bases for the complaints and criticisms made in our report? Put frankly, we find the present situation appalling. We heard from some 350 witnesses, and over and over again this phrase was repeated: "Canada's low industrial innovative base." The committee points out that the reason is that we have not had a science policy which knew what to do about research and development in spite of the fact that the level of our scientific expertise has received international applause of which we should not be ashamed. The criticism is not of our scientists. The criticism in this context is not of our universities, government laboratories, or industrial laboratories, at least not in terms of the work which they have done. This work has been excellent. But we have not had a science policy which could put it to work for Canada.

At page 489 the report says:

> The evolution and exploitation of a high national innovative capacity depends to a large extent on an adequate level of effectively managed indigenous R and D activity [concentrated mainly in industry], complemented by an efficient monitoring system on technical progress abroad and on technological forecasting—

And on page 498:

> —the Canadian business sector is desperately weak as a performer of R and D. And yet it is precisely in this sector that R and D activities in support of technological innovation should mainly be located.

I would like to give you a few simple facts which would indicate the objectivity of the criticism this committee has made. It is hard, for example, to believe that in the present year the percentage of Canadian employment in the manufacturing industry has dropped from its traditional 21 per cent to 19 per cent.

Hon. Mr. Martin: I have read a good portion of the report, but I do not recall whether many witnesses were called from the private sector of the manufacturing industry.

Hon. Mr. Grosart: Yes, we heard from many experts on science policy, from members of the public service, from universities, and finally from the private sector. I would think we heard over 100 witnesses and as many briefs from the private sector which represented not only individual firms but major industrial trade associations. I can assure my honourable friend that the input from the private sector was extensive and valuable.

I repeat that in comparative world terms, it is unbelievable that we could drop from 21 per cent to 19 per cent of labour force employment in the manufacturing sector. It means a loss of 120,000 jobs a year. Also, believe it or not, the total government expenditure for research and development in industry in Canada has declined in some recent years.

Hon. Mr. Martin: Was the committee able to determine whether some of the research which normally would have been done by companies based in Canada was done by parent companies located in other countries?

Hon. Mr. Grosart: I am afraid that this subject would require another hour speech, although I do not intend to take an hour at this time. It is a very interesting question. Up until a year or so ago, it could have been said that the R and D intensity in subsidiaries of foreign-owned companies was slightly higher than those of Canadian companies. In the last couple of years there has been a decline in the funding and performance of research and development in subsidiary firms as well as in non-subsidiary Canadian firms.

• (1610)

Hon. Mr. McDonald: May I ask if the drop in research and development of foreign-owned subsidiaries in Canada is comparable to that of Canadian-owned companies in Canada? Is the drop the same in both instances or is one dropping faster than the other?

Hon. Mr. Grosart: On the basis of a number of studies, I would consider them to be comparable. The drop has not been great, and I do not suggest it has been very large. It is merely the fact that there has been a decrease at a time when in every comparable country in the world there is clear evidence of substantial, on-going increases in the funding and performance of research and development in industry, which is my subject at the moment.

A very recent OECD study, one of a series generally regarded as the most definitive in this field, selects 10 comparable countries who are competitive in world markets and rates them on their innovative performance in industry, secondary industry and manufacturing in accordance with a number of criteria by which they determine those ratings. The highest rating achieved by Canada in any of the studies is eighth, and on the overall picture we come last, tenth. In the total funding of research and development in Canada, we are at the bottom of the ladder, with 1.2 per cent to 1.3 per cent of

GNP. In the top league of countries, the United States is 3 per cent. The intermediate group, which includes most of our competitors, is 2 per cent to 3 per cent. We are not quite at the bottom of the ladder, because there are a few small countries which spend a little less of their GNP than we, but we are again a strong contender for the cellar.

How did we get into this situation? Our report makes it clear that it has been as a result of these years and years of passive strategy. I know that the Leader of the Government will note the emphasis I place on the phrase "years and years." Our record is critical, highly critical of government policy. Just to save him the exercise of getting up to defend it, as far as this speech is concerned any blame there may be will be extended over any period he wishes. As a matter of fact, the committee's report takes it all the way back, not quite to 1867, but to Sir John A. Macdonald's first new economic policy. Reference to that is made twice in the report. When we were looking it over I had serious doubts as to whether Sir John should be blamed. The chairman, however, who is a great economist as we all know, persuaded me that was part of the beginning of our problems. That was, of course, the protective wall we set up around our own manufacturing industries, with the great dislocation which has resulted in our whole economy.

Yesterday during a meeting of the Standing Senate Committee on Foreign Affairs a question arose in discussions with the Secretary of State for External Affairs, Mr. Sharp, regarding the nature of the general preferences which Canada hopes to develop between developed and developing countries. The suggestion was made that at one time when the Leader of the Government, I believe, was the Secretary of State for External Affairs, we objected to the idea of preferences. I believe the main reason was that we were advising these countries to avoid a predicament similar to that in which we found ourselves.

Hon. Mr. Martin: That was in 1963.

Hon. Mr. Grosart: Mr. Sharp said that circumstances had persuaded us that perhaps there were good reasons for changing that policy and reversing it, as we have. One of the reasons for that, of course, is the protection of our domestic markets and its many spin-offs in the whole field of Canadian entrepreneurship.

A protected domestic market produces less incentive to search for markets abroad. Businessmen now complain that we have too small a domestic market in Canada, which of course is nonsense. As I said the other day, Sweden, Switzerland and the Netherlands have much smaller domestic markets but are outselling us in world markets and almost entirely in products of high technological intensity. One of the reasons is that indicated by the Leader of the Government, foreign ownership. No one is quite sure yet just what the balance between advantages and disadvantages is in this whole question of foreign ownership and the operation of foreign-owned subsidiaries in Canada. There is no question that there are benefits. One is in this very area, the free flow of technology from parent company to subsidiary, and it is a free flow. It may to some extent account for our low level of growth of federal funding. There is the advantage of skilled management, which is highly important, of course, in the area of technological innovation and marketing. The disadvantages are obvious and I will not go into them at this time, because I consider that to be the subject of another debate, which could be very interesting.

Part of this passive strategy of the past, the conventional wisdom which we think should be changed as soon as possible, is the whole spectrum of public policy or, if you prefer, government policy, in a number of areas which I will indicate shortly. I stress that these are not personal observations. To the best of my ability I am paraphrasing, or using the exact words contained in the report. In our first report, for example, we pointed out that Canada had been spending only 39 per cent of its research and development effort in technological innovation. Thirty-eight per cent represents the total amount of R and D performed in industry. That does not appear to make sense. In looking at comparisons, we find that Japan allocates 60 per cent of its R and D to industry, and the United States 70 per cent, while we have been chugging along with 37 per cent, 38 per cent, and 39 per cent.

• (1620)

A year ago it declined, despite a very stirring statement by Mr. Drury, who was then *de facto* Minister of Science and Technology, to the effect that a major priority of government policy was to increase the performance of R and D in industry. Three years later the federal contribution had actually dropped a percentage point. It indicates that there is something wrong with the system when the government announces a clear-cut policy and then finds, in the bureaucratic scientific mix, that its policy is completely frustrated.

I should perhaps end this part of my critique on a happier note. There is clear evidence that the situation has changed. In my view the committee can take some credit for this. It has been listened to and has been consulted at a high level. Its chairman has access to those who bear the responsibility for high level policy decisions in this field. Although the committee members are not informed of everything that goes on, they feel that their efforts are not in vain.

The Estimates now before Parliament provide for a 15 per cent increase in federal funding of R and D performance in industry for this year. The figure was increased last year and I am sure, from statements made by the present minister, that it will continue to rise. The committee has recommended that by 1975 the level should be 60 per cent. We have a long way to go, but there is evidence that we are heading in the right direction.

Volume II might be regarded as an alarmist document, and didactic in its insistence on drastic changes. I am sure honourable senators will be pleased to learn the committee does not content itself with merely complaining and criticizing, but suggests remedies. It believes that if those remedies are given fairly immediate attention, which appears likely, it will be possible for Canada to get back on the track in the science and technology race, on terms reasonably equal with those of our major competitors.

I shall take the opportunity a little later of summarizing the committee's recommendations. I should now like to say a word about the kind of reception the report has received. It has, of course, been criticized, but I think it fair to say that most of the criticism has come from those who, in one way or another, have a vested interest in the

status quo of the existing organization, either in the bureaucratic organization of the Public Service or in the equally bureaucratic organization applying to certain parts of the scientific community. This is understandable.

Dr. Robert Uffen, former scientific adviser to the government, seems to have spent two or three frustrating years in his federal position. Dr. Uffen, who is now Dean of Engineering at Queen's University, recently made a very significant remark. Reviewing the years spent in his official capacity, he said that he found a tendency among all entrenched interests to try to fit new policies into existing organizations, rather than to fit organizations into new policies. Some of the criticism has arisen as a result of the committee's recommendations concerning the National Research Council. Some people have said, in effect, that we wanted to abolish it. However, a careful reading of the committee's report would not support that view.

I have said on a number of occasions that Canada's science policy has been the victim of the excellence of the NRC. There is no question but that the NRC has an enviable international reputation. It has done excellent work, and recently produced a Nobel Prize winner in the person of Dr. Herzberg, a very distinguished Canadian scientist.

A criticism levelled for a good many years was that our intramural R and D had not produced a Nobel Prize winner. I am sure that all honourable senators derive great satisfaction from the fact that Dr. Herzberg has been awarded the highest laurel in science.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Grosart: I would have to admit, however, that Dr. Herzberg is the committee's severest critic, and understandably so. Personally, I admire the tenacity with which he has fought the battle for a continuation of high level funding of basic science.

The committee recommends that the funding of basic science should decrease from 23 per cent to 10 per cent. When considered in the light of the committee's other recommendations, this would not decrease the dollar level of our investment in basic science. However, that is really another subject.

It has been said that we are merely substituting one bureaucratic structure for another. There is some truth in that statement. It is the committee's view that the present bureaucratic structure is neither adequate nor efficient, but that the one suggested would be. However, only time will tell.

Other criticism, in my view, is quite valid. Dr. Alexander King, Director General of Scientific Affairs for OECD, in a critique of the committee's report, makes a strong plea for better treatment for the NRC than is envisaged in the report. I am not suggesting that all of the criticism is baseless.

It is important to point out that there is support for the five basic recommendations contained in the report, and I shall cite three examples. There is an organization called SCITEC which is an association of all the industry associations, learned societies, and science, technology and engineering associations. It is the voice of the scientific community in Canada. This organization examined our report and, as Senator Cameron has already mentioned, sent out a questionnaire to its members which resulted in 42 of the committee's 45 recommendations receiving at least 50 per cent support.

• (1630)

Of the 25 recommendations in the particular area to which I was assigned—that is, industry innovation—all but one received over 50 per cent support. In percentages of approval, two of them were in the fifties, nine in the sixties, nine in the seventies, four in the eighties, and one in the nineties. Interestingly, recommendation 23, the one that received less than 50 per cent support, was a recommendation that after a task force had reported, its report be forwarded to the cabinet. Practical scientists, technologists and engineers were divided as to whether the government should even see that report. It is a minor point, but interesting.

Dr. Alexander King—and I ask honourable senators to excuse me for quoting him at some length, but he is in many ways the number one wise man in the scientific community of the world—states as follows:

> May I say that the Lamontagne exercise is a magnificent effort. In no country has a legislative branch undertaken such a thorough and detailed job. The anatomy of Canadian science has been thoroughly exposed and even if all the recommendations are not equally wise, the contributions of the Special Committee to the understanding of the problems of science and technology in contemporary society are outstanding . . . It can only be hoped that Canada's legislators can maintain and mature this understanding so as to give a lead in wise legislation in providing lines of progress in this period of transition in both science and society.

He goes on further to say:

> It will make painful reading to many members of the Canadian scientific community.

He finds the report "a well rounded and thoughtful, and even erudite attempt to balance opportunity and needs, responsibility and freedom; it delineates problems clearly and points, sometimes a little hesitantly, towards their solution." He says, "It is essentially a plea for innovation rather than research; it is a challenge for Canada to become an innovative society."

I received only yesterday a personal letter from the President of the Research and Development Committee of the Canadian Chamber of Commerce, whom I met recently. He expressed the view that the report would be favourably received in the business community. He now writes:

> The Canadian Chamber of Commerce will be stating publicly how much we agree with the general recommendations of your outstanding report.

I mention these accolades, if I may call them that, largely because they give me an opportunity to say that they belong in a large measure to the chairman of the committee, Senator Lamontagne. When the first report of the committee was tabled in this chamber I recall stating that I felt sure that no member of the committee would object if the report came to be called the Lamontagne Report. That has certainly happened. It is known as such in

Canada and throughout the scientific community of the world.

I know that everyone who worked on the committee will agree with me that it was Maurice Lamontagne who so freely devoted his great talents and, perhaps more freely, his time and energy than many of us, and certainly his doctor, thought he should. He worked tirelessly, and was ably assisted by the committee's research director, Philip Pocock, an indefatigable collector and assessor of data and, in my judgment, one who could brilliantly articulate and communicate his analysis of that data. He was of great assistance to Senator Lamontagne and to all of us.

It is only the limitation of time that prevents me from paying tribute, as I should, to all other members of the committee from the Vice-Chairman, Senator Cameron, down to the newest recruit on our staff. I can assure my colleagues in the Senate that at some point in the 600-page report they will find an important input from one or other of the members of the committee.

I feel it is also worth mentioning that our views have been well supported by other studies. Certainly the Glassco Commission stated in many ways what we are now saying. The OECD report in 1969 said much the same thing. I am sure what is in the minds of members of the committee is the question: Is it possible that the government will not listen this time? I have on my shelf upstairs a 1964 report of the Private Planning Association saying much the same thing to the Government of Canada as we are now saying. These reports have not been acted upon. It would be a tragedy if, after this report has been digested, dissected, and criticized, there is not some response from the Government of Canada. I feel it is almost incumbent on a government, faced with a report such as this and other reports from the Senate, to respond. I am not saying that it should or must adopt everything in a report, but at least it could come back and tell us what it agrees with, or where it feels we are wrong. I believe this would begin a dialogue between us in this chamber and the government—whatever government may be in power—which would be very much to our mutual benefit.

I have been talking, of course, only about the effects of technological innovation in resource development and industry. Perhaps it is not necessary, but I feel it is important that I make it clear that the committee is well aware of the social obligations that are more and more becoming the responsibility of technology and technologists.

Hon. Mr. Martin: Senator Grosart will perhaps permit me to ask him a question. He refers to government response to these important studies. He himself has clearly indicated the government's interest in the report of the Special Senate Committee on Science Policy, particularly the interest shown by Mr. Gillespie.

• (1640)

I intervened to point that out. I can assure Senator Grosart that Mr. Gillespie is interested, and there have been discussions. I would not say there would be full agreement on every aspect, but he himself has indicated already that the concurrence is pretty extensive.

Hon. Mr. Grosart: I agree. I was perhaps thinking of something a little more than that. What the Leader of the Government says is quite true. As a matter of fact, Mr. Pepin, the Minister of Industry, Trade and Commerce, has himself announced that the government will publish an industrial strategy in the fall. Perhaps he is over-optimistic that he will be the author of it.

I was going a little beyond that. I was thinking of the complete shake-up of the broad conceptual approach rather than just picking out this or that recommendation, as the government has done, and implementing this, that, and the other thing. We call for a new industrial strategy, not a patching of the old, which is what has happened. Whether the government will agree with us, and if it agrees has the courage to do that, is the question that is in my mind, and that is why I raised it.

The committee is aware that there are perils as well as potentials in technology. We are aware that there is a fear arising of the power of technology over our lives—technophobia, counter-culture, and so on. We are aware of the almost terrifying report put out by the Club of Rome called "The Limits of Growth." It supports one of the new aspects of the counter-culture, which is actually advocating zero growth for all countries. This is the only solution they see to population, pollution, urbanization and other problems. It amazes me, because this is not the emanation of a few crackpot psychologists or economists. It comes from men whose influence we have to respect. I do not understand it; it is beyond me to understand how we can have zero growth and a high quality of life. Surely it is economic growth and growth of GNP that will be required to pay for the kind of quality of life that people are asking for.

Hon. Mr. Martin: It is all based on the MIT model, which is very difficult to understand. At least, I find it difficult.

Hon. Mr. Grosart: Is the Leader of the Government speaking of the Club of Rome Report?

Hon. Mr. Martin: Yes.

Hon. Mr. Grosart: Based on the MIT model?

Hon. Mr. Martin: Yes.

Hon. Mr. Grosart: I must say I am not greatly impressed with it, although I know others are. It does not answer what to me is the essential question: Who is going to pay for the good new life? Take our own country. The total tax take is $25 billion, at all levels of government. Of that, $12.5 billion is immediately redistributed to health, welfare, and education. Most people, social scientists and others, say that $12.5 billion is not enough. Where are we going to get the extra money if the GNP does not continue to go up? I have not seen an answer to that although I have looked.

It has also been said of our report that we began to look at science policy, and wound up trying to restructure the whole economy. There is a good deal of truth in that. For example, the *Financial Times*, speaking of the committee's work, said:

> The expedition, which started to explore science policy, ended with the basic question of how Canada can continue to live. Its conclusions are not cheerful.

This is quite true, because as we began to look at science policy and to ask, "What is this all about? Why is it important? Why does it matter?" we very quickly found

out that it impinged on almost every aspect of national policy.

On page 540 of our report we list some of the larger public policies that are obviously affected by science policy. We begin with trade, and point out that our trade policy has to be tied very closely to our science policy. We have, of course, trade commissioners, ministerial missions, and so on. Effective work has been done. China and Japan are obvious examples. We have the problem of the EEC, which was discussed yesterday in the Foreign Affairs Committee, a 50-nation trading bloc.

The committee finds that our tariff policies have often been taken in complete isolation from their possible effect on innovation in the secondary manufacturing industries. We recommend, for example, that it is about time that Canada insisted on equal tariffs—our own as against those of other countries—on manufactured goods. One of the great complaints of industry is that they have to face high import tariffs on essential components of our own manufactured goods. The committee recommends that we equalize tariffs in that respect.

Fiscal policy is, of course, becoming more and more the key to innovation in industry. We recommend, for example, that there should be a full time science adviser in the Treasury Board. I will not go into the reasons for this, but there have been some science decisions by the Treasury Board that are frightening in their naïveté.

Tax incentives are highly important. Industry is asking more and more for tax incentives to support their R and D effort. We had them for a while until about 1961 or 1962, when they were suddenly withdrawn. Nobody has explained why, although the government did substitute for them a whole series of incentive grant programs. We find that this was done on an ad hoc basis that was not co-related. I will not go into the full details but there are PAIT, IRAP, DIP, DIR, any number of them. We find they are not co-ordinated. We recommend that all these incentive programs be brought together and managed on a co-ordinated basis.

Obviously the supply of money is an essential aspect of innovative development, yet our monetary policies have not always given due consideration to their effect on the performance of our manufacturing industry.

• (1650)

On foreign ownership, the Leader of the Government raised some points. I shall not take the time to read our comments in full. We do find that there are the problems I mentioned in connection with foreign ownership. I have to say that the final answer is not in. We recommend a further study of this matter and, rather importantly, we suggest that we should use the important asset of access to our primary resources as a bargaining point in our world trade negotiations.

We also recommend a "go-slow" policy on the exploitation of these resources. However, if we are going to exploit them, if we are to meet the needs of other countries around the world—and the vital needs in some cases—then let us get some bargaining value out of this for our secondary manufacturing industries. Those industries are so job-intensive that without the development of these industries we are in further trouble in our employment field.

On procurement policy, may I say we are the boy scouts of the world when it comes to procurement policy. I am sure you have seen recent examples where very important contracts in the high technology field have been let to other countries. From the point of view of our Department of Supply, this may make sense, but we have found no evidence of any co-ordination of policy, a policy which would ask whether it might be better and might make more sense in an overall way if the Canadian economy were to pay a little more and give those high technology jobs to Canadian firms.

This came up in the satellite situation and it also came up recently in British Columbia. Are we shortsighted in saying that we always give these jobs to the lowest bidder? I can assure honourable senators that the evidence before the committee shows that we are about the only country taking what is sometimes called a boy scout attitude in this matter.

On competition policy, there is a real problem, because business at least has a feeling that our competition policy is against mergers, against bigness; yet an essential feature of our report is that we must have mergers, we must have industrial critical size, that one of the problems is the fragmentation of our manufacturing industry with too many companies chasing too few dollars. And yet, there is not too much evidence that there has been any co-ordination of competition policy with trade policy in Canada. For example, we find that 60 per cent of all Canadian firms in this area are below critical size—critical size being the size of the market or dollar volume that is necessary in order to maintain an adequate research and development base to innovate and stay in the world race.

On standards policy, it is true that about two years ago we set up a Standards Council. It does not seem to have got off the ground yet. There are good international reasons why it should. We recommend that in due course Canada should adopt the metric system.

On manpower policy, it is clear from the evidence before us that there is a complete mismatch in what is called the QSESs, the qualified scientists and engineers, and their support staffs. We have Ph.Ds looking for jobs. There is no evidence of any structure to bring together the universities, industry and government, to look into the future and see whom we should be educating and how, in what disciplines. There is no evidence that this has been done. A complete mismatch exists at the moment. There is no pre-correlation between supply and demand in our scientific manpower policy. The result is that at the present time Canada has less than one QSES—which means qualified scientist and engineer plus support staff—in industry to each one in government. Germany has 18 QSESs in industry for every one in government. The Netherlands has 23 in industry for every one in government. That is what I mean by mismatch of scientific manpower supply and demand.

Honourable senators, as I said earlier, in this particular area, in the chapters I am dealing with, there are 25 major recommendations. These are the recommendations that SCITEC surveyed, and I gave you the result of the survey. I am not going to read them all to you, although I would

like them to be in the record, but allow me to summarize them very quickly by grouping them.

Of the 45, those involved in the industrial innovation sector of the report begin at number 20. The first I have already mentioned, that the performance of R and D in industry be upgraded from the present 37 or 38 to 60 per cent by 1980.

Numbers 21, 22, 23 and 24 deal with secondary manufacturing, and the recommendation we make which has certainly developed the widest interest in the press and amongst the scientific writers and business commentators is this:

> —secondary manufacturing industries be requested by the Ministry of Industry, Trade and Commerce to organize task forces, with proper labour representation, to consider the problems of scale and specialization and to prepare a plan within a year to improve the efficiency, the innovative capacity and the international competitiveness of individual firms through mergers or otherwise;

We are suggesting that the minister appoint a chairman and a secretariat and that a special cabinet committee be appointed to approve, after consultation, the results, and to set up an office on industrial reorganization which will do the operative job. It seems to me the reason this recommendation has caught the fancy of so many people is that it appears to be a practical way of finding an answer. We are saying that each industry set up its own task force, we tell them to go to work, to tell the government what they want; we say that we will give them the necessary financial support, the manpower support, and so on. Therefore, instead of going on as we have been, with a good deal of ivory tower solutions to some of these problems, we would now get a practical input from industry, labour and others, into the individual problems of each industry.

When all those results are in, of course there will be conflicts. The government will then be in a much better position to come up with the kinds of future strategic industry policies that we think are needed. That is with respect to the secondary manufacturing industries.

• (1700)

We recommend much the same thing in respect of the resource and primary manufacturing industries with heavy emphasis on the importance again of an initiative by government to insist on the further processing of raw materials in Canada. It has been done in some provinces. We are hopeful that we can come up with a national strategy which will insist on this being done on a national basis, because at the moment we are exporting most of our valuable resources in an almost unprocessed form.

Recommendations 26, 27, 28, 29 and 30 deal with the problem of QSEs. I think I have indicated the problem. We are suggesting now that the government get together with the universities and industry and make a thoroughgoing survey, set up a training program to fill the gaps and select certain centres of excellence, consult with the Canadian Research Management Association and provide the necessary scholarships.

Recommendation 31 suggests that there be science policy advisers in every single department of government. The Americans have done this very successfully. Their Bureau of the Budget or, as it is called now, the Bureau of Budget and Management, has a budget officer in every department. He notices what is going on. He can advise his superiors whether suggested expenditures are likely to be approved by the Bureau of the Budget.

We are suggesting the same thing in this science policy field. In our opinion there should be a science policy expert in every department who can be consulted and can check back with the Minister of Science and Technology and tell him what is going on, because, again, we are convinced that one of the serious problems is the making of policy decisions in isolation in these various areas of public policy without any co-ordination of those policies, particularly in relation to their impact on our secondary manufacturing industries.

In recommendation 32 we suggest that an interdepartmental committee on innovation should be set up. All I can say there is that my personal view would be that it would have to be a much better kind of interdepartmental committee than any we have had in the past. It would have to be one with a clear mandate, with terms of reference, with a chairman who keeps minutes, and it would have to be one that has meetings regularly and reports. That certainly has not been the pattern of operation of the many interdepartmental committees in the Public Service up to the moment.

We recommend setting up a Canadian innovation bank. We are suggesting that there should be a government fund to support practical and likely looking innovative developments in industry. It is interesting to note that most of the practical innovations in industry everywhere in the world come from small firms. I will not elaborate on that, but it is a fact and it is one of the reasons why we suggest setting up almost a venture capital fund within government.

Recommendation 39 deals with primary resources. We make a plea here and elsewhere for a much greater degree of contracting research out of government into industry. We have the highest level in the world of funding and performance of in-house government research and development. That has been an obvious mistake in the past. It has been one of those things that just grow like Topsy. We are recommending that there be a strict limitation put upon it. We are suggesting that the government should take the position that so much research will be done in in-house government labs, and no more, and that every effort will be made to contract research out to industry. That, in fact, is the secret of American success. It is the reason why they zoomed ahead in the world of science and technology. They contracted out their government business. They were spending in the order of $25 billion a year on research and development, most of which they contracted out to industry, thus building up all over the United States various kinds of industries based primarily on doing contract work for the government in the field of space, defence, nuclear energy, and so on. We say that we must reverse our policy in this respect and contract out as much as possible research and development to industry.

An interesting example of the sort of thing that can happen, if you do not contract out, came to light when our committee was gathering evidence. One of our govern-

ment agencies, the name of which I shall refrain from mentioning, was involved in a very large project which industry wanted. The agency studied the problem. They decided that there was no company in Canada with enough QSEs to undertake the project, and therefore they would have to do it in their own labs. When they started the project they had 200 people working on it, which, as they themselves pointed out, was more than any firm in private industry. Within a year or so they had expanded that force to 800. They could do that, but they did not think industry could. Well, that is an example of what can happen. That whole story is contained in our report.

Recommendations 40 to 42 deal with scientific and technological information. Senator Cameron covered that aspect fully.

Recommendation 44 deals with QSEs. I have indicated what our recommendations are in that respect.

Finally, recommendation 45 deals with the question of mobility. That is an important problem we have run up against. First there is the mobility of the scientists and engineers within government departments. We suggest that they should not get stuck within one department, because this would narrow their focus, but that they should move around from department to department and, more particularly, from government to business and vice versa, and from both government and business into universities.

As it is, we have a very low mobility factor with respect to our qualified scientists and engineers. Our major recommendation in that regard, then, is that we do something about it.

In conclusion, honourable senators, we emphasize that the major *modus operandi* of this kind of new industrial strategy would require an immediate end to the senseless adversary confrontation in Canada today between management and labour, government and industry. Students of this problem around the world are now singling out Canada as a horrible example of government and business, labour and management continually being in an adversary position. There are one or two countries where the situation is worse, but there are very many where it is infinitely better. For example, countries like Sweden, Japan and Switzerland are models on which we could base our economic future in this respect. They have managed somehow to bring these essential elements together. They have managed somehow to bring those together, and I would say that a very sincere plea from our committee to all three of them would be, "for Canada's sake and your own, get together and let us catch up with the world in industrial innovation."

• (1710)

On motion of Hon. Mr. Carter, debate adjourned.

HEALTH, WELFARE AND SCIENCE

PROPOSED STUDY BY COMMITTEE OF LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—ORDER STANDS

On the Order:

Resuming the debate on the motion of the honourable Senator Haig, seconded by the honourable Senator Buckwold:

That the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.—(Honourable Senator Forsey).

Hon. Mr. Forsey: Honourable senators, one speech in a single day from me is as much as the Senate should be expected to put up with.

Hon. Mr. Croll: Hear, hear.

Hon. Mr. Forsey: I thank honourable Senator Croll for his applause, and other honourable senators as well, and I should be glad if this order could be allowed to stand.

Hon. Mr. Croll: I always enjoy your speeches.

Order stands.

INCOME TAX ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker *pro tem* informed the Senate that a message had been received from the House of Commons with Bill C-169, to amend the Income Tax Act.

Bill read first time.

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for second reading on Monday next.

Motion agreed to.

PRIVATE BILL

UNITY BANK OF CANADA—SUSPENSION OF RULE 95

Leave having been given to revert to Motions:

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(a), that Rule 95 be suspended with respect to Bill C-164, to incorporate Unity Bank of Canada.

He said: Honourable senators, the reason for this motion is simply that Rule 95 provides:

> A private bill originating in the Senate, of which notice is required to be given, shall not be considered by a committee until after one week from the date of referral to such committee and, in the case of any such bill originating in the House of Commons, until twenty-four hours thereafter.

As you know, we are expecting an Easter recess in the not too distant future, and I should like to see the work of this house progress in such a fashion that when we adjourn for Easter we will have accomplished all the work that appears now to lie ahead of us. It may well be that this bill will not be considered in committee tomorrow—in fact, it may not be dealt with until Monday—but should circumstances be such that it can be considered in committee tomorrow, then the adoption of this motion will help us to achieve our purpose.

This bill has been before the Standing Senate Committee on Banking, Trade and Commerce on a previous occasion, and we do not wish it be sent to that committee yet a third time if we can possibly avoid it, which situation

could arise if we are not able to deal with it before the Easter recess.

Hon. Allister Grosart: Honourable senators, I have only one short comment to make. I think we should not suspend one of our rules too lightly or too carelessly. As honourable senators are aware this is a very important rule, and its purpose is to give those who might be affected by such a bill the opportunity to ask to be heard when it is discussed in committee. Therefore, I should like to receive an assurance from the Deputy Leader of the Government that this committee will not meet so expeditiously to consider this bill that anybody who wishes to be heard, or who indicates that he wishes to be heard, would be prevented from doing so.

I might add that I would not agree to the motion at this time were it not for the fact that this bill has been before the chamber and our committee previously.

Hon. Mr. McDonald: I am quite prepared to give that assurance, and I can also assure the house that if this particular bill had not previously been considered by the committee I would not have asked for the agreement of the house to the suspension of the rule. It is quite possible that we will not need the suspension of the rule, but I make this motion on the basis that it is wise to have the permission of the house in case it is necessary. I can assure the house that all witnesses who wish to appear before the committee will have the opportunity to do so.

Hon. Mr. Grosart: Is this so that you can get it through before dissolution?

Hon. Mr. McDonald: Yes—whenever that comes.

Hon. Mr. Croll: Honourable senators, I think the position taken by Senator Grosart makes a great deal of sense. I have no objection to waiving the rule with the caveat that consideration by the committee of this bill will not take place until Monday next.

Hon. Mr. McDonald: If the rule is suspended they need only 24 hours.

Hon. Mr. Croll: I am approaching it on the basis that the committee will not deal with this bill until Monday next.

Hon. Mr. McDonald: But if this permission is given they can deal with it tomorrow.

Hon. Mr. Croll: I realize that, but if leave is not given at this time it cannot be dealt with tomorrow. I assume we are granting this leave on condition that this bill will not be dealt with until Monday next.

Hon. Mr. Martin: That is not what was proposed. What Senator Grosart asked was that there be no finalization of this bill until such time as outsiders are given an opportunity to register their views. That means that while the committee could start work on the bill tomorrow, they could not dispose of it finally until Monday or Tuesday next, and that would give the public an opportunity to make representations if they so desired.

I think the point Senator Grosart has made, which has been supported by Senator Croll and also, I might add, by Senator McDonald, is a very important one. We are jealous of the importance of this rule, and the reason for having it as one of our rules. But in this particular situation there is the strong supporting circumstance referred to by Senator McDonald that this bill does not come to us for the first time. It has been before a committee of this house on a previous occasion, and it has been considered in the other place in both this session and the last session.

Hon. Mr. Croll: Honourable senators, I would say that, as a member of this house, my consent is necessary if this rule is to be suspended in this instance, and I am not prepared to give that consent unless I get an assurance that this bill will not go to committee until Monday next.

Hon. Mr. McDonald: In that case this motion is not necessary.

Hon. Mr. Croll: What is the purpose of the motion?

Hon. Mr. McDonald: So that the bill can go to committee tomorrow.

• (1720)

Hon. Mr. Croll: What you are saying then is that it will not be disposed of until Monday.

Hon. Mr. McDonald: Yes, Monday or Tuesday. I will make that commitment.

Hon. Mr. Grosart: Perhaps it would be helpful to Senator Croll if he were assured the committee will not report its findings until Monday at the earliest.

Hon. Mr. Croll: Yes, that is helpful.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, March 23, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

> Ordered: That a message be sent to the Senate to acquaint Their Honours that the following members have been appointed to act on behalf of the House of Commons on the Standing Joint Committee on Regulations and other Statutory Instruments, namely: Messrs. Allmand, Béchard, Blair, Brewin, Fairweather, Forest, Gibson, Laprise, Marceau, McCleave, Penner and Schumacher.
>
> Attest
>
> Alistair Fraser
>
> The Clerk of the House of Commons

Ordered, that the message do lie on the Table.

DOCUMENTS TABLED

Hon. A. Hamilton McDonald tabled:

Report of the Canadian Transport Commission for the year ended December 31, 1971, pursuant to section 28(2) of the National Transportation Act, chapter N-17, R.S.C., 1970.

First research program of the Law Reform Commission of Canada, dated March 1972, pursuant to section 18 of the Law Reform Commission Act, chapter 23 (1st Supplement), R.S.C., 1970.

Copies of a contract between the Government of Canada and the Rural Municipality of Charleswood in the Province of Manitoba, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Report on the administration of the Members of Parliament Retiring Allowances Act for the fiscal year ended March 31, 1971, pursuant to section 20 of the said Act, chapter M-10, as amended by chapter 43 (1st Supplement), R.S.C., 1970.

Capital Budget of Canadian Arsenals Limited for the fiscal year ending March 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with copy of Order in Council P.C. 1972-341, dated February 24, 1972, approving same.

Capital Budget of the Royal Canadian Mint for the year ending December 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with Order in Council P.C. 1972-342, dated February 24, 1972, approving same.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS BILL, 1972

REPORT OF COMMITTEE

Hon. A. Hamilton McDonald, for Hon. Mr. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. McDonald: With leave, I move that the bill be read the third time now.

Hon. Paul Martin: Honourable senators, before today's proceedings began I had told Senator Manning that I would respond on third reading to statements made in his speech.

Hon. Mr. Flynn: On third reading, not before.

Hon. Mr. Martin: Senator Manning's interesting and able speech contained statements that nevertheless required a reply. I had thought of replying at the time. In view of the importance of the matter, I do so now after having had the opportunity of reflecting on what he said and obtaining certain figures.

• (1410)

Senator Manning contended, when we were on second reading, that the Province of Quebec receives too much in equalization. In answer to that, Quebec has 6 million people and accounts for 60 per cent of the population living in the provinces with below-average tax bases, so naturally it receives the largest share of equalization. In general, its share has been about one-half of the total payment, which is well below their population share. If the principle of equalization means anything, it must be applied, I am sure we all agree, to all provinces.

Senator Manning also indicated that if Quebec is receiving over $400 million, then the total cost of the program must be too high. In order to put equalization in perspective, the program must be considered in relation to total provincial expenditures. In 1972-73 these expenditures will gross to an amount well in excess of $17 billion.

Hon. Mr. Connolly (Ottawa West): To the provinces.

Hon. Mr. Martin: No, of the provinces. It naturally costs a substantial sum of money to equalize revenues raised to finance expenditures of this magnitude.

Senator Manning also suggests that the federal government's equalization program should not be concerned with revenues to finance all provincial expenditure programs, but only with those for financing health, welfare

and education. However, these three categories account for about three-quarters of total provincial expenditures, including a pro rata share of the general overhead. Nor is the other quarter unimportant. It includes administration of justice, grants to local government, expenditures for protection of the environment, and so forth.

Senator Manning further suggests that Quebec is a resources-rich province. Impartial statistical evidence does not support this view, except in the case of water power. In so far as minerals, oil, gas, and even forestry are concerned, the Quebec share of the tax base is below the national average. Quebec has no oil or gas production at all. This is particularly significant since about 60 per cent of the revenues which provinces derive from natural resources come from oil and gas.

Finally, the honourable senator suggests that natural resource revenues from the sale of assets should be excluded from equalization. These are included because they are used by provinces to finance expenditures in the same way as other revenues—tax revenues, for example. Equalization is ultimately concerned, both as a principle and as an objective, with enabling the have-not provinces to finance their expenditures. This is done with reference to whatever taxes and levies the ten provinces choose to levy to finance them.

Senator Manning noted that one kind of levy on oil or gas may be substituted for another. This, of course, is true and provides an additional reason for equalizing revenues of all kinds. Otherwise, provinces might be tempted to distort their tax systems in order to influence the amount of equalization payments.

Hon. Jacques Flynn: Honourable senators, the Minister of Finance appeared before the Standing Senate Committee on Banking, Trade and Commerce this morning to discuss the problems which the Leader of the Government has just raised. I, together with the Leader of the Government, can understand the observations made yesterday by Senator Manning, and perhaps the criticism that was levelled some time ago by the Premier of British Columbia against equalization payments. I am not supporting the equalization payments on a legal basis; I was never convinced that strictly speaking they were entirely within the scope of our Constitution. However, on a practical and equitable basis, it is very difficult to argue against equalization payments. After all, the way the federal government distributes the income it gets from taxes is done on a practical and equity basis. You give more to those who need more. The same principle is involved.

In Quebec, equalization payments represent only 10 per cent of the budget for the fiscal year commencing April 1 next, not 16 per cent, which is a figure that has been mentioned. It is therefore not very important in itself. It is an important figure, $400 million, but it is only 10 per cent of a budget of $4 billion. If it is justified, as I think it is, that equalization payments should help have-not provinces to the extent of 65 per cent, or even more, of their budgets, then it is very difficult to be critical of an equalization payment providing 10 per cent of the Quebec budget.

Motion agreed to and bill read third time and passed.

[Hon. Mr. Martin.]

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (B) PRESENTED AND PRINTED AS APPENDIX

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, presented the following report of the committee, to which was referred Supplementary Estimates (B) laid before Parliament for the fiscal year ending March 31, 1972, and asked that the report be printed as an appendix to the *Debates of the Senate* and the *Minutes of the Proceedings* of today and form part of the permanent record of this house.

The Hon. the Speaker: Honourable senators, is it agreed that this report be printed as an appendix to the *Debates of the Senate* and the *Minutes of the Proceedings* of today and form part of the permanent record of this house?

Hon. Senators: Agreed.

For text of report see Appendix pp 226-33.

• (1420)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Everett: With leave of the Senate, now. As I understand it, the supply legislation will be in the hands of the Senate on Monday next. For this reason I am requesting leave of the Senate to deal with this matter now.

Hon. Senators: Agreed.

Hon. Mr. Everett: Honourable senators, there is only one item with which I should like to deal in respect of this report of the committee. It is a matter that concerns the $1 items, about which this chamber has been concerned for some time, especially those items which are used by the administration for legislative purposes.

The special concern of your committee has been that amendments to legislation take place in this way, and the fact that these amendments are themselves law is not communicated either to members of the legal profession or to the public generally and very often does not appear in the Revised Statutes. When any legislative commitment is amended we would like to have that amendment incorporated by way of a special act. However, considering the press of business with which Parliament is confronted, this is not always possible. Therefore, your committee recommends:

> . . . that consideration be given to the formalization of the amending effects of such $1 votes in Appropriation Acts by explicit amendments to the existing acts concerned in a separate schedule to any Appropriation Act where such amendments are required.

Thus, amendments which take place now under Appropriation Acts would be given their actual wording and legal meaning and would be included in any list of amendments published by any law reports, digests or other agencies. We believe that this would be extremely useful in making sure that the legal profession and the public generally are made aware of amendments made by this method.

I might also mention that these Supplementary Estimates (B) provide for $185 million of funds to be provided by Parliament, $98 million for loans, investments and advances. That brings the total expenditures for the year ending March 31, 1972, to $16,474 million, of which $15,195 million is for budgetary items and $1,279 million is for loans, investments and advances.

Honourable senators, we further recommend that in future the explanation of $1 items be provided the committee in advance of meeting with the officials of the Treasury Board. This has been agreed to by the Treasury Board. Also, we recommend that the blue book containing Supplementary Estimates (B) be expanded to include the type of explanation given of $1 items in the list with which we are provided at the beginning of each committee meeting.

Hon. Mr. Benidickson: Honourable senators, may I ask the chairman of the committee if it was not agreed—I thought it had been—not to confine our recommendation for explanations of $1 items alone. I thought what we wanted was an explanation of any item that was legislative in effect and was in substitution for what we would normally expect to be a separate bill amending an existing statute.

Hon. Mr. Everett: The honourable senator makes an excellent point. Indeed, that was discussed with the officials of the Treasury Board. The legislative items, while they are largely matters of $1 items, do, indeed, include items for which there is an appropriation of a larger amount. It was my understanding in the discussion with the officials of the Treasury Board that in the past they had attempted to include these items as legislative items and it had been recommended by our committee that they confine themselves to the $1 items.

I think at our next meeting they are going to provide us with a list of the items that are legislative in character but are not $1 items, and it would be my suggestion that we defer any action on that until we see the list and see how germane it is to the sort of examinations we are having.

Hon. Mr. Flynn: I should like to be clear on the statement made by Senator Everett. I do not think he meant that our committee had recommended the continuation of the system of legislative $1 items. I do not think we have ever approved of that, except in very exceptional circumstances. I am not too clear on what Senator Everett said in that respect and I should like him to say whether he said that we had ever recommended a continuation of that practice.

Hon. Mr. Everett: I apologize to the honourable Leader of the Opposition for being so incapable in my explanation. Indeed, we are very opposed to the whole concept of $1 items, but the fact of the matter is that they exist and they are a means of transferring unused appropriations from one department to another. Indeed, there is some benefit to be derived from $1 items in that they cause departments to review programs that are overexpended and cause them to reduce the expenditures in such programs and transfer the moneys to other programs that are more useful. In that respect we are not that much against $1 items.

Hon. Mr. Flynn: When they are not legislative in character.

Hon. Mr. Everett: I was going to say that our opposition to the $1 items is the legislative nature of them. We have not been able to convince the government, however, that they should drop that method of legislation altogether. That is why we are asking them to attach a schedule to an Appropriation Act that does constitute an actual amendment to the act.

Hon. Mr. Connolly (Ottawa West): May I ask Senator Everett a question? He talks about legislative enactments in an appropriation bill. This is purely a matter of semantics, but every item in an appropriation bill is, of course, legislative action. I take it that when he is talking about the legislative effect of certain items, particularly $1 items, he is pinpointing amendments to existing statutes as a result of the enactment of a section dealing with the $1 item. What he desires, as I understand it, is that the amendments to existing legislation by these items should be clarified so that anyone reading a statute and following up on the amendments will know precisely what effect was had upon an existing statute by the introduction of a $1 item or a similar item in an Estimates bill. Is that right?

Hon. Mr. Everett: I could only wish that the honourable senator had given the explanation of the report instead of myself. Indeed, the Estimates are all legislative in character, but most of the Estimates concern $1 sums. There are certain items in the Estimates that actually change the terms of the act in non-dollar amounts, and that is what we mean when we talk about the legislative effect of the Estimates, especially as that pertains to $1 items.

Hon. Mr. Connolly (Ottawa West): Very good.

Hon. W. M. Benidickson: Honourable senators, I rose before to ask a question. I should now like to make one or two brief remarks.

In recent years, the form of the Estimates has changed considerably from the pattern I became used to when I was a member in the other place. We were told that the change in form would provide us with somewhat better information as to the purposes of each vote. When I examined carefully Supplementary Estimates (B) for the purpose of the meeting of the National Finance Committee today, I observed that in instance after instance the explanation was valueless as far as I was concerned. To answer the natural curiosity that arises when one sees these items in the Estimates which affect all departments or nearly all departments, I found that further research was necessary, or that it would be necessary to bring witnesses from the departments concerned to give some detailed information as to the items. In some instances I found that my curiosity was satisfied as long as I took the pains to read about eight reports of sittings of the Estimates Committee of the other place, where officials and ministers had appeared.

• (1430)

But, honourable senators, not all ministers who had items in Supplementary Estimates (B) appeared before that committee, nor were all departments having items in Supplementary Estimates (B) represented. As a matter of fact, when we arrived for the committee meeting this morning we were presented with a document that answered a number of queries that had occurred to me,

but this arrived too late to compensate for the amount of research necessary yesterday and the day before to learn what information was available as a result of questioning in the committee of the other place.

I will give you an illustration. With respect to ferries, under the Department of Transport, you will find in the Blue Book containing Supplementary Estimates (B) what was called an explanation—simply the words "Ferry Service." It does not tell you from what point to what point the ferries operate, and as I recall it the amount of money involved was $16 million. All they had to do to satisfy me as a non-Maritimer, and to give me some information about that item, was to add a few more words to the effect that the ferry operated from such and such a place to another place, and I would have understood. Instead I had to take the time to ask somebody else, or look back to other documents to see what it was all about.

My point, honourable senators, is that while in the new form they pretend to be giving us better information than was the case in the past, I have found in many instances that the information is so terse and so unspecific that it really is not much of an improvement. Furthermore, I do not think the number of pages in the printed books of Estimates would be enlarged very greatly if they were to add half a dozen words or so in giving the explanation. In most instances it would not come to more than one line, and in many instances it could be done simply by filling out the remaining unprinted space on a line. That would give us information which I think we as parliamentarians should have.

Report adopted.

VISITORS IN SENATE GALLERY

OFFICER CADETS OF ROYAL MILITARY COLLEGE OF CANADA

Hon. John J. Connolly: Honourable senators, I wish to draw your attention to the fact that in our south gallery this afternoon are students from the Royal Military College under the leadership of Lieutenant-Commander Hope. They are in Ottawa to attend at least part of a Senate sitting, and later this afternoon they will be discussing the Senate and its functions.

I am sure that members of this house are pleased indeed to note the presence of these students from our foremost military college.

Hon. Senators: Hear, hear.

LEGAL AND CONSTITUTIONAL AFFAIRS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald, with leave of the Senate, and notwithstanding Rule 45(1) (h) moved:

> That the name of the honourable Senator Lapointe be substituted for that of the honourable Senator Connolly (Ottawa West) on the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

[Hon. Mr. Benidickson.]

ADJOURNMENT

Hon. A. Hamilton McDonald moved, with leave of the Senate, and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Monday, March 27, at 8 o'clock in the evening.

Motion agreed to.

LOCAL INCENTIVES PROGRAM

NOVA SCOTIA APPLICATIONS—ANSWERS TO QUESTIONS TABLED

Hon. Paul Martin: Honourable senators, I wish to table the answers to a series of questions asked on February 29 by Senator John M. Macdonald. His questions were made orally, but the answers are too long for an oral reply to be given at this time.

TERRITORIAL SUPREME COURTS BILL

THIRD READING

Hon. A. Hamilton McDonald, for Hon. Mr. van Roggen, moved the third reading of Bill S-3, to change the names of the Territorial Court of the Yukon Territory and the Territorial Court of the Northwest Territories.

Motion agreed to and bill read third time and passed.

• (1440)

SCIENCE POLICY

CONSIDERATION OF VOLUME II OF REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the consideration of Volume II of the Report of the Special Committee on Science Policy, tabled in the Senate on Thursday, February 24, 1972.

Hon. Chesley W. Carter: Honourable senators, I should like to begin my remarks by congratulating Senator Lamontagne and the other senators who have preceded me in this debate on the excellence of their presentations. We have already heard three very eloquent and comprehensive speeches on science policy, from Senator Lamontagne and Senator Cameron and, yesterday, from Senator Grosart. The subject has been covered now so thoroughly that it remains for me mainly to fill in some of the remaining gaps, and flesh out some of the points which were not fully developed in the earlier speeches.

As Senator Lamontagne pointed out in his clear and lucid manner, the Special Senate Committee on Science Policy approached their task in three stages. First, they took a look backwards through history and traced the development of the Canadian economy and the concomitant science policy that developed along with it. Next, the committee made an appraisal of the current situation as it existed at that particular time in accordance with our own observations and the latest information and opinions available to us. The third stage was to take a look into the future to try and see what changes will have to be made, not only to correct the mistakes of the past but to enable Canada and particularly the Canadian economy to adjust successfully to the new challenges that lie ahead.

The backward look was outlined in detail in Volume I. Briefly stated, Canada's first industrial strategy was initiated by Sir John A. Macdonald in 1867. It rested mainly on the construction of the first transcontinental railway and encouragement of secondary industry through high tariff protection, for which at that time there was no alternative. Canada's second industrial strategy was initiated by the government of Sir Wilfrid Laurier. It was based on the opening up of the west, which gave a great impetus to the extension of secondary manufacturing in central Canada.

In the manufacturing sector high tariff protection had in time led to the attraction of branch plant subsidiaries of foreign companies reproducing products developed by their parent companies but geared to the much smaller Canadian market. This, in turn, generated what is often referred to as "the scale problem." Sir Wilfrid Laurier attempted to overcome this problem by trying to negotiate free trade with the United States, but this led to his defeat in 1911.

In time, Laurier's strategy became superimposed on that of Macdonald's and the two were further modified by a major technological revolution that took place in the United States. This was the second technological revolution within the United States of America and its products—motorcars, electrical appliances, et cetera—required large quantities of resource materials such as minerals, pulpwood, and cheap hydraulic power.

United States industry was very quick to realize that their local supplies were not nearly sufficient for their growing needs but that their next door neighbour, Canada, had these resources in abundance. Consequently, United States money flowed into the natural resource sector of the Canadian economy. Since national resources are under provincial jurisdiction and the provinces were naturally anxious to improve their slow growing economies, the federal government had no way of shaping or influencing Canadian industrial strategy except through tariff and export trade policies. The net result was a rapid expansion of the branch plant economy, both in the manufacturing and the natural resource sectors. In fact, United States needs along with their capital and know-how became the prime movers of Canadian economic growth. For example, in 1900 United States investment in Canada was only $205 million, less than 16 per cent of the foreign investment total. In 1966, it had reached more than $25 billion, over 80 per cent of foreign investment in Canada.

With that background we can take a look at where we are and how we compare with other industrialized countries at the present time. Our economic growth today derives mainly from two sources. One source is increased exploitation of our natural resources, combined with a trade policy concerned mainly with obtaining the most favourable entry into foreign markets for our raw materials and primary products. The other source is a secondary manufacturing industry based on tariff protection, abundance of natural resources and easy access to foreign capital and know-how, but often geared to horizons fixed by the small domestic market.

It cannot be denied that this industrial strategy has provided Canadians with a high standard of living, but at the same time it has made our economy extremely dependent upon foreign capital and extremely vulnerable to decisions and policies of other nations. Furthermore, the exploitation of our natural resources by foreign subsidiaries and the export of our primary products tend to relegate Canadians to the status of hewers of wood and drawers of water for the larger industrialized nations. If this is continued on an ever-increasing scale for a few more years, it will probably be too late for anything to be done about it.

So much for our current industrial strategy and the results it has produced. If we take a look at the present state of our science policy which has developed side by side with it and compare it with other countries, we find that in the Western world as a whole somewhere between 40 per cent and 60 per cent of all economic growth—varying from country to country—results from quality improvements and efficiency factors. In Canada, however, the growth from industrial innovation and R and D activities is negligible. That is a direct result of the present science policy which has evolved over the years parallel with our present industrial strategy. In actual fact our present science policy generates a climate that tends to discourage our industries from becoming innovation-oriented and in some cases inhibits them altogether. This is particularly true of individual inventors and entrepreneurs.

A science degree is not a prerequisite to the generation of marketable ideas. Ordinary persons with average education often hatch ideas that can be marketed profitably but in Canada this source of wealth lies relatively untapped. Numerous instances were brought to the attention of the committee and to individual members where individual investors and entrepreneurs had good ideas but when seeking help from government agencies such as NRC and the Department of Industry, Trade and Commerce they got the merry old run-around.

• (1450)

A typical example is described in chapter 12 of *Galt, U.S.A.*, which is available in the Library. It relates the experience of Mel Hill and Peter Dicks, two ordinary Canadians, who had invented a machine to shape plastic without pressure. They patented their idea and ploughed into it every cent they could spare from their salaries. Their machine made possible a 20 per cent increase in output with about 40 per cent lower unit costs, and had a good export potential. They came to Ottawa to get a grant from the Department of Industry, Trade and Commerce under the PAIT program. They were received enthusiastically, and in due course an official came to see them and asked a number of questions. Three months went by, and they were being asked the same questions all over again. Four months passed, and they received another visit from officials, who called the whole deal off because they had started work on their machine in the interval. They said, "If you have already started it, it is not a development, because you must know what you are doing. We can only give you money if you don't do anything until we approve it." An additional six months would be required for approval.

The machine required extremely thin, stress-free nickel moulds which the designers had to import from the

United States of America. Since nickel is a Canadian product, Hill and Dicks thought it made sense to manufacture their own moulds. They went to NRC, talked to certain individuals who took down all the information, and went away feeling they had had a very good reception.

Three or four weeks later NRC informed them that their application had been turned down because experts in the Department of Energy, Mines and Resources had said that what they wanted to do could not be done. This was despite the fact that not only had the process been used successfully in the United States for the past ten years, but Mr. Hill had actually taken along a casting and shown it to NRC, and had given them the name of the company in the U.S.A. that was making them. He also gave them the name of the man in the U.S.A. to contact for further information.

I talked to Mr. Hill on the telephone, and he feels very strongly that he was given the run-around. When he suggested to NRC that he contact the EMR experts directly, they said, "Oh, no, you must go through us." Mr. Hill claims that the NRC was the most disappointing agency he visited, but that he received the brush-off from all of them.

However, despite rejection by NRC, EMR, and Industry, Trade and Commerce, Mr. Hill and his company, Spraymould, are now on the way to success. He has been visited by four groups from Japan and one group from Switzerland, and is presently negotiating licences in those two countries. He has also been visited by interested parties from Australia, France, West Germany, and Scandinavia, but adds that in Canada no one is interested.

I asked Mr. Hill if he knew of others who had had similar experiences, and he told me that when his story appeared in the *Financial Post* and *Galt, U.S.A.*, a number of persons had telephoned him to say that their experiences were identical to his.

Research expenditures have increased from $20 million in 1940 to $800 million in 1967, but our research effort is fragmented among government agencies such as NRC and a number of federal departments, as well as among universities and industries scattered all across the country, each going his own merry way with little or no contact with each other.

This fragmentation results in several government organizations being involved in one function, with the result that people from industry, such as Mr. Hill, have to knock on up to ten doors whenever they wish to discuss assistance programs, instead of on one door as recommended by the committee.

There is no inventory of research programs, no system of establishing priorities, and little or no means of evaluating the programs, of co-ordinating them, or of establishing standards of excellence. It is hoped that this situation will be effectively dealt with by the new Ministry of State for Science and Technology.

The committee found that Canadian research programs were heavily weighted in favour of pure or basic research, compared with applied research and mission-oriented research and development. This imbalance is the reverse of what is happening in other advanced industrialized countries. On page 491 of the report, the committee states:

> —in 1967, Canada spent only 39 per cent of its national R and D effort on technological development and that the business enterprise sector performed *only 38 per cent* of the total R and D activities. The comparisons indicated that these two percentages were the inverse of the practice in other advanced countries. They also revealed that the Canadian government funded only 18 per cent of the cost of the industrial R and D performed by business, which was a much lower proportion than in several other advanced nations, including the United States (53 per cent), France (42 per cent), and Britain (35 per cent). Another special feature of the Canadian scene was that the government sector was a substantially larger performer of R and D than in most other countries.

A recent OECD study on innovation indicates that the innovative capability of a company cannot be measured solely by the number of PhDs on their staff, but rather by the total number of R and D teams in that company; in other words, by the total number of qualified scientists, engineers and supporting staff engaged in R and D. For brevity, this latter group is termed QSES. It is suggested, therefore, that the ability of a company to compete in innovation depends on the size of the various QSES teams in various industrial units. The evidence indicates that Canada is weak in this regard, as our report states on page 492:

> A similar imbalance is found in comparisons of the number of people working in R and D . . . Figures for the total number of QSESs *conducting R and D* in Canada show that the Canadian government has a disproportionately high number of QSESs and, second, that the number of QSESs in the industrial sector is proportionately lower than in the industrial sectors of some other countries . . . German industry employs 18 QSESs in R and D for every one in government. For the Netherlands the corresponding number is 23, for Sweden about 5.

For Canada it is less than one.

• (1500)

> The second point can be illustrated by comparisons with Sweden, Belgium and the Netherlands. Although Sweden's population is only two-fifths of Canada's, the total number of QSESs conducting R and D in Swedish industry is 25 per cent *higher* than in Canada. With less than half of Canada's population Belgium comes within 12 per cent of the number of QSESs conducting R and D in Canadian industry. Industrial R and D QSESs in the Netherlands, which has about three-fifths of Canada's population, outnumber those in Canada by almost two to one.

Some of our worst problems today are social problems, yet the social sciences are neglected almost completely in our science policy.

There is also a great gulf between the universities and industry. The universities have shown little interest in the problems of industry, and the scientists and engineers they turn out do not have the proper mental attitudes, nor do they have the proper scientific training to do the kind of scientific research and development that industry

requires. In fact, universities are so oriented in favour of basic and pure research that Professor H.I. Schiff of York University described the efforts of science professors in these words, and I quote from page 518 of the report:

> What we are doing, then, is producing carbon copies of ourselves, because, after all, we have turned out so well the best thing we can do for the students is to make them over in our own image.

This is borne out by the fact that the first choice of a graduate is to find a job in a university where he can continue the work he has been doing. Failing that, his second choice is to find a position in a government laboratory, and only as a last resort will he look for work in industry.

To remedy this situation the committee has made a number of recommendations which I need not repeat because they were outlined in detail by Senator Lamontagne in his excellent speech in this chamber on March 2, 1972. I feel, however, that two points which Senator Lamontagne made at that time cannot be emphasized too much or repeated too often. The first point is that what the Senate Committee proposes is the restructuring of our present institutions. The committee does not propose that the National Research Council or any other agency be dismantled, but rather that the total scientific program be reorganized and the scientific effort redistributed between government laboratories, industry and universities on a more logical basis, and in a manner that will have a much better chance of correcting the deficiencies to which I have already referred.

The second point which cannot be repeated or stressed too often is that the committee does not recommend that less money be allocated for basic research. If the committee's recommendations are adopted, in time, more money will be spent on basic research than ever before. What the committee does recommend, however, is that the imbalance between basic research and mission-oriented research be corrected and reversed. The need for this should already be evident by our comparison with other advanced industrialized countries. It will become more evident in a moment when we look at the challenges that lie ahead.

Looking into the future, we see emerging a new set of world economic conditions that will last at least until the end of this century. To start with, we see the world population doubling, a world shortage of pure fresh water, a world much more sensitive to pollution and damage to our environmental and eco-systems. We see the danger of world hunger crises caused by protein shortage due to lack of phosphates for fertilizers. We see new trade patterns developing and multinational corporations expanding their networks, dominating the international scene, and in the process, freeing themselves in large measure from political and governmental control.

At the same time we see the world's reserves of natural resources being depleted at an exponential rate which in the 1980s will be moving towards a state of permanent scarcity of both renewable and nonrenewable resources. The Systems Dynamics Group at the Massachusetts Institute of Technology has accumulated evidence indicating the severe implications of the finite resources of nature, many of which are approaching a point of exhaustion. For example, the world's known supply of lead and platinum could be exhausted within twelve years, mercury within thirteen years, and practically all the basic minerals within 35 years. Incidentally, this throws into perspective the importance of the ocean floors and the debate about who owns them.

This very fact by itself will necessitate a technological race to find substitutes as well as to conserve and make more efficient use of present supplies. Recycling of wastes is already a necessity and already the large powers are actively exploring the technology necessary for the exploitation of the resources of the oceans and the ocean floors.

The international technological race is already on and gaining momentum. It is not difficult to imagine what will happen to Canada if we simply continue on as we have been going for the past 20 years with an industrial strategy based heavily on the exploitation of our natural resources, and with a fragmented secondary manufacturing sector unable to exist without tariff protection and, therefore, unable to compete in world markets, and at the same time with no innovation-orientation worth mentioning.

In Canada today we are faced with a serious unemployment problem because although our economy last year expanded at the rate of 9 per cent and is now expanding even faster, it is still not sufficient to ensure full employment. We need 250,000 new jobs a year just to keep up with our expanding labour force. Where is the economic growth needed for these new jobs to come from? One source, of course, would be increased exploitation of our natural resources but, in the face of coming world shortages, that seems hardly a wise thing to do. Furthermore, that will ensure Canadians becoming permanent hewers of wood and drawers of water, and at the same time push up our exchange rate. What about the secondary manufacturing sector? As long as our secondary industries are fragmented and geared mainly to the domestic market, that source holds out little promise. The third source must be technological innovation.

On page 488 of the report, the committee concludes as follows:

> In the whole spectrum of investment expenditures, the funds devoted to technological innovation may have the highest multiplier effect on economic growth and the standard of living. The direct technological multiplier effect is great because the innovative country usually has a seller's market for several years during which it can build substantial export sales and consolidate its position when competition develops through imitation on licensing to producers in other countries. What is more, investment in innovations has a large indirect technological effect in other enterprises and sectors. Professor James B. Quinn of Dartmouth College has summarized this point:
>
> ... in stimulating long-term growth, policy makers must recognize that the driving force is not investment itself, but the technological multiplier that innovation can achieve; (1) by increasing the productivity or value added of the sector in which it is employed, (2) by lowering the factor costs of those who utilize the output of that sector and releasing their resources for other useful purposes, and (3) by stimulating "respon-

sive innovations" in customer, supplier or functionally competitive branches.

• (1510)

It is clear, then, that to meet the challenges of the future Canada must have a new industrial strategy. The committee has suggested that we slow down the exploitation of our resource sector, restructure our secondary manufacturing sector so that they can concentrate more on technological innovation in order to meet world-wide competition with their present products, and at the same time develop new products for the world market.

However, to do that requires a science policy quite different from that which we have now. To bring this about, the committee has made 45 recommendations which, with the exception of a few outspoken scientists—who appear to want to maintain the status quo at all costs—have been generally well received.

Last year, when I spoke on Volume I of this report, I referred to SCITEC, the Association of the Scientific, Engineering and Technological Community of Canada, and said that if nothing else developed from the committee's work the birth of SCITEC was well worth the effort.

SCITEC is now a full-fledged organization, and when Volume II of the committee's report became available SCITEC set up a response committee under the chairmanship of Dr. R. Quittenton, Dean of St. Clair College, in the Honourable Paul Martin's home town of Windsor. This response committee is a group of approximately 100 authoritative people selected proportionately from the various disciplines represented by the association, half of them being basic research scientists and the other half applied research scientists.

On January 27 they were mailed a list of the 45 recommendations given in Volume II, along with the chairman's summary of the report. On February 26 SCITEC held its first annual meeting here in Ottawa, and on that date approximately one-third of the response committee had been heard from. Presumably the latter group constitutes those with a serious interest in a science policy for Canada.

Judging by the vote of this one-third of the response committee, the recommendations of Volume II were overwhelmingly supported. Of the 45 recommendations in Volume II, 42 had a majority in support of them. I talked with Dr. Quittenton on Friday last, and by that time he had heard from additional members, but there had been no significant percentage change in the original results. Dr. Quittenton informed me that of those heard from, roughly half were engaged in basic research and the other half in applied research.

Not one recommendation had a majority opposition, although three recommendations did not have majority support. Nevertheless, these recommendations, numbers 15, 16 and 23, were approved by 42 per cent, 33 per cent and 40 per cent respectively. Recommendation 23, recommending a special cabinet committee under the chairmanship of the Minister of Industry, Trade and Commerce, was characterized by 42 per cent abstention.

The three recommendations which were not given majority support, nor majority rejection, landed in limbo. It would appear that this was due to some confusion regarding recommendations 15 and 16 as to the implications of the recommended priority to be given to the social sciences, or in applying the criterion of social merit. The situation regarding Recommendation 23 probably resulted from the lack of knowledge as to how cabinet government operates.

Seventy per cent approved the setting up of a Canadian research board, together with three foundations. Sixty-seven per cent approved the setting up of a national research academy; only 15 per cent rejected this. Fifty-eight per cent approved the setting up of the Canadian Industrial Laboratories Corporation, whereas only 12 per cent rejected this and 30 per cent abstained.

Several recommendations received a very high degree of approval. Ninety-one per cent approved of the Canadian government adopting an overall plan for the seventies for science and technology. Ninety-four per cent approved of the Minister of State for Science and Technology keeping a national R and D inventory, and developing an audit of current R and D programs and projects being supported by public funds. Ninety-one per cent approved of a national conference of university and industry people regarding improved innovation. Ninety-one per cent approved of setting up a Canadian innovation bank. Ninety-one per cent approved of increasing the mobility of R and D personnel, with special emphasis on transfers from government to industry. Over half the recommendations were approved of by 70 per cent or more of the respondents.

SCITEC is also polling about 350 people in the SCITEC community at large. The initial response last Friday was not very different from that of the response committee, although only a small fraction had been heard from. This information was made public at the SCITEC main meeting on February 26, but as far as I know no reference has been made to it in the press or mass media.

Honourable senators, I feel that the committee's recommendations are not only sensible and practical, but they are absolutely essential if Canada is to meet successfully the challenges that we must face in the remaining years of this century. I trust, therefore, they will receive your support.

On motion of Hon. Mr. McDonald, for Hon. Mr. Thompson, debate adjourned.

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, March 14, the adjourned debate on the inquiry of Hon. Mr. Croll, calling the attention of the Senate to the Report of the Special Committee of the Senate on Poverty in Canada, tabled in the Senate on Wednesday, November 10, 1971.

Hon. Muriel McQ. Fergusson: Honourable senators, because I am a member of the Special Senate Committee on Poverty I am pleased to take part in this debate on the report, and to share with my colleagues some of my experiences as a member of that committee.

Certainly I welcome the opportunity to pay tribute to the guidance given to the committee and its work by the chairman, Senator Croll, who for many years has devoted

much of his time and efforts towards improving the condition of the less fortunate, the disinherited in our country, of whom there are far too many.

I have had the privilege of being a member of a number of other committees of which Senator Croll was chairman or co-chairman. To all of them he gave outstanding service, but to the Poverty Committee he gave such dedicated, untiring devotion and leadership that he will long be remembered from coast to coast in Canada as the champion of the poor, many of whom look to him as their only hope.

Hon. Senators: Hear, hear.

Hon. Mrs. Fergusson: The deputy chairman, Senator Fournier (Madawaska-Restigouche), whose present illness we deeply regret, also made a valuable contribution to the work of the committee, as did Senator Carter, who assumed Senator Fournier's responsibilities when he became ill, and who gave such a knowledgeable and scholarly explanation of parts of the report in the debate in the chamber on November 16 last. My colleague reminds me that Senator Carter has also given other excellent speeches regarding the Poverty report. I believe his latest was before the Canadian Bar Association.

• (1520)

Hon. Mr. Choquette: Yes, I saw that in the latest report. At the head table, he was very dignified.

Hon. Mr. Flynn: As usual.

Hon. Mr. Croll: He may start practising law.

Hon. Mrs. Fergusson: Many other members of the committee also deserve commendation for their attendance and participation. The hearings, both in Ottawa and elsewhere, were prolonged and often exhausting, for we toured rural areas and talked with poor farmers and fishermen. We walked through and viewed for ourselves Vancouver's skid row, and atrocious housing in Charlottetown, Whitehorse, and Tracadie. We saw deplorable, depressing, tar-paper shacks on the fringe of Halifax and heard of the tremendous cultural and other adjustment difficulties the Indians and Métis face when they forsake the countryside and try to adapt to urban living in Winnipeg. We also saw some of the regrettable conditions existing amongst the Indian and Métis people who had not gone to the cities.

All speeches made in the debate on the report have been excellent and those made by committee members show the interest taken by them in the work of the committee and also that, in the main, they support its recommendations.

Because about 55 per cent of low-income families live in urban areas, many people consider poverty is strictly an urban problem. It should not be forgotten that 45 per cent—almost half—still live in rural regions.

As you know from his speech in this debate, Senator McGrand took special interest in the causes of rural poverty, and in what means might be adopted to eliminate it. I think honourable senators should know that, after the committee was established and when the Senate was not sitting, Senator McGrand visited several foreign countries, including Norway, Sweden, Finland and Iceland, which countries had all experienced a similar problem, to learn what had been done by them to overcome the problem of poverty, and what success had been achieved.

Senator McGrand believes, as you know from his speech, that much success might be achieved in eliminating rural poverty in Canada if more attention were given to developing our forestry and fishing resources, as has been done in some other countries. His arguments impressed many of his colleagues, amongst whom I certainly can be numbered, and I hope further investigations will be carried out along the lines he suggested.

Committee members were grateful to Senator Hervé Michaud of New Brunswick—I regret that he has been called out of the chamber—who, although he was not a member of the committee, joined some of its members when we visited parts of his home province. His understanding of the desperate conditions in that province was shown very clearly in his recent contribution to the debate on the Address in Reply to the Speech from the Throne on February 24 last, when he made an eloquent plea on behalf of his own county of Kent, where members of the committee had observed many of the conditions he referred to.

Honourable senators, I remind you that Canada has subscribed to the United Nations Declaration of Human Rights, Article 25(1) of which says:

> Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age and other lack of livelihood in circumstances beyond his control.

The Declaration does not say everyone is entitled to these things only if he or she is able to get a job and earn sufficient money to pay for them—which seems to me to be the philosophy of many Canadians, especially amongst the well-to-do. Certainly Canadians are not making a great success of implementing in their own country this Article of the Universal Declaration, to which Canada has given its support, when the conditions exist which the Special Committee on Poverty learned about through briefs presented to them, and which they witnessed for themselves when they visited different parts of this country.

Is it a standard of living adequate for health and well-being when a mother, who is the sole support of her family and her children, because of circumstances beyond her control, has to live in a building where the floors are obviously unsafe, and where the members of the committee upon entering the house were warned where they should step. We were told that if we did not follow the warnings we would go through the dangerous floor. Farmers who own cows, horses, or other livestock would not house them like that, because of the danger of financial loss through broken legs, but in Canada we saw children living under those conditions, and we know the conditions we saw were not exceptional cases.

In one area we visited, no houses had brick chimneys. Smoke was carried out by stovepipes. Although we saw these homes only in mild weather, we were told it was never possible to heat them properly, and that in winter the walls were often lined with frost because an adequate

fire in the only stove would inevitably cause the stovepipe through the roof to become overheated and set the roof on fire. Children are living in these houses, where they are either half frozen in winter or in danger of being burned alive. Is this housing adequate for health and well-being?

In one of these 1½-storey houses in "stove-pipe town"—again the home of a sole-support mother and her family—we noticed a hole in the floor of the attic where the children slept. The hole was near the stovepipe and we were told that the youngest child—really a baby—had fallen through it, on to the kitchen stove in the room below. There was no fire in the stove at the time, but the baby had not investigated this, and the same thing could have happened if there had been a fire. Surely this is not providing properly for the well-being of a family which is in want, due to circumstances beyond their control.

I see Senator Quart nodding her head at some of this. I know that she saw some of the things I saw, because we were together on many of these investigations.

During the hearings of the Special Committee on Poverty, I learned about things I had never dreamed existed in this country. I learned too that many beliefs which I had held—and which I presume had been held by other members of the committee and by members of this house, and which are still held by many people in Canada—were not true, that, in fact, they are myths left over from the 19th century.

• (1530)

We found that the belief that economic growth will of itself provide enough jobs to eliminate poverty is one such myth. In fact, witnesses expressed the opinion that, if we had sufficient economic growth, enough jobs would be engendered so that almost everyone would be employed, and poverty would not exist. The truth is that, with the growth of automation, more jobs are being performed by fewer people all the time, and the need for labour, either skilled or unskilled, is less. In the 1960s we had tremendous economic growth. Although the well-to-do became better off, the numbers of poor did not decrease and the gap between the two groups became even wider.

President Franklin D. Roosevelt of the United States of America once said that "the test of our progress and of our society is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Economic growth may provide more jobs. Indeed, it will. But in the past it was not the poor but the middle and upper class workers who benefited from economic growth. Such growth will not in itself eliminate poverty.

Another belief we discarded as a result of our hearings was that poor people are lazy, and prefer to live on welfare rather than to work. But actual studies have shown that not more than 1 or 2 per cent of them do this. Moreover, many of the witnesses whom we heard, people who deal with the poor from day to day, supported the findings of those studies.

Hon. Mr. Flynn: Was Prime Minister Trudeau a witness on this point?

Hon. Mr. Benidickson: Well, the Minister of Health and Welfare agrees.

[Hon. Mrs. Fergusson.]

Hon. Mr. Martin: Well, his government certainly has done a lot.

Hon. Mr. Flynn: Of course.

Hon. Mrs. Fergusson: We learned that over 50 per cent of the poor in Canada—that is, those whose income is below the poverty line—are not living on welfare; they work full time. But even though they do work full time they are unable to make enough money to provide a decent basic standard of living for themselves and their families.

Another 25 per cent of the poor in Canada are those who are unable to work because they are the disabled. They are the blind, the physically and mentally ill, the elderly, and the female heads of families who cannot go out to work because their children are too young. Surely, any civilized country looks after this 25 per cent.

The remaining 25 per cent of the poor in Canada are the hard core "welfarites," those who are not entirely out of the labour force as are the disabled, the blind, the physically and mentally ill, and the female heads of families with young children, but who, for all practical purposes, are unemployable at the present time because for the most part they lack education, skills, and opportunities. The putting into effect of certain of our recommendations will tend to remedy this situation.

A report in the Ottawa *Citizen* of March 15, 1972, concerning a task force set up by the Honourable Thomas Wells when he was Minister of Social and Family Services in the Ontario government, states that the task force admitted that laziness is a problem "of minor proportions because the relatively rare instances of it receive wide publicity and arouse intense resentment." It can be seen from that statement that there are only rare instances in the minds of the members of the task force which made that investigation.

It is a myth to say that the poor are lazy, shiftless, and do not want to work. In every province, except British Columbia, a person is financially better off on welfare than when working for the legal minimum wage, but despite this fact 50 per cent of the poor choose to work. They work all the time.

Hon. Mr. Benidickson: Is that calculation based on a 40-hour week?

Hon. Mrs. Fergusson: I believe so.

An interesting editorial appeared in the Ottawa *Citizen* on February 21 of this year, of which the following is an excerpt:

> In that often-flagging thrust toward a just society there is no more important way of restoring human dignity than to permit people, to the extent that they are capable, to participate constructively in Canadian society. And one of the most tragic obstacles is that—low as welfare payments are—they are often higher than the wages received by the working poor. A man working at Ontario's minimum wage would earn $266 a month. As the head of a family of five, he might get $303 on welfare, along with paid-up health services and drugs. Some heads of families cannot afford to go to work even if by staying home they still are well below the poverty line.

Honourable senators, that was brought home to me by a witness who appeared before us. The mother of three boys, she had been deserted and left with no means of support. She, therefore, had to apply for welfare. Believing in the work ethic which most Canadians have been trained to accept, she felt that this was not the right way to bring up her boys. Consequently, she undertook training for herself so that she could make a living for them. She subsequently secured a job that paid her as much as she was getting on welfare but, because one of her boys was diabetic and had to have special medicine and another had to have extensive dental work, she found that, although her salary was equal to what she would get on welfare, nevertheless she was $50 a month behind because she had to pay for all these extras herself, whereas when she was on welfare they were supplied to her without cost. You may be interested to know that notwithstanding these difficulties she was continuing to work because she did not want her boys branded with the stigma of living on welfare.

Many examples of this kind came to our attention, and we can only conclude that something must be wrong with a system that allows such situations to develop. Surely it is not right that Canadians should have to make a choice like that.

Another belief that is prevalent but which has not real foundation in fact is the belief that the unions protect the rights of the poor people. Actually, only 30 or 35 per cent of the labour force is organized into unions, and even then, I assure you, they are not made up of the poorest members of the labour force.

I do not propose to list today, let alone tell you about, the numerous other myths that were exposed during the course of our hearings. However, I should like to tell you that the committee discovered that very little was known in Canada about the existence of poverty until it was forcibly brought to our attention by the Economic Council in its Fifth Annual Review, in which it pointed out:

> Poverty in Canada is real. Its numbers are not in the thousands but the millions. There is more of it than our society can tolerate, more than our economy can afford, and far more than existing measures and efforts can cope with.

And I stress the words "existing measures."

> Its persistence, at a time when the bulk of Canadians enjoy one of the highest standards of living in the world, is a disgrace.

As I say, that statement was made by the Economic Council.

The Economic Council suggested that the Senate of Canada should create a committee to study the problem, and, as a result, the Special Senate Committee on Poverty came into being. It quickly became evident to the committee that prior to its establishment very little research had been done in Canada regarding poverty. Our researchers constantly complained of the dearth of data that was available. If the Senate committee has done nothing more, then it has certainly awakened the people of Canada to the existence of poverty and the need for research concerning it.

I sincerely hope that, in accordance with the recommendation of the Special Senate Committee on Poverty, a council for applied social research will be established on a national level to make research information available, especially on poverty, for such research has now become essential.

• (1540)

Honourable senators, although in the past I have given much of my time to the study of social and welfare problems, my experience on the Poverty Committee was traumatic. I was deeply disturbed when I saw for myself the conditions under which many thousands of children of the poor are existing. The children of Canada today are the citizens of Canada of the eighties and the nineties, and they are our most precious resource. They are much more important to us than our mines, our oil fields, our forests, our agriculture, or our fishing. We are wasting this resource if we do not give priority to developing the highest potential of these children, and if we do not spend money for this purpose as we so freely do now to develop other natural resources.

Many studies that have been made in this country and in other countries concerning children have documented the disadvantages that are suffered by children in poor families. I am not referring here to research on poverty, but simply to research into the conditions of children. The fact that poor children suffer a great deal is documented by such research. They suffer from ill-health, sordid environment, lack of educational opportunity, and so forth. Unlike the situation in many European countries and, I might add, some Asian countries, relatively less emphasis has been placed on benefits in kind such as free or subsidized school meals, day nurseries, domestic help, rent subsidies, and other specific services. Free education and health care have been extended widely in Canada, but apart from this Canada relies mainly on local and voluntary organizations to respond to particular needs for services not readily available to poor children through the market.

A brief to the committee from the Canadian Teachers Federation said:

> Daily, teachers of the poor see the effects on children of these low levels of income, in the child's lunch bag or in his clothes. Teachers also experience at first hand the frustration occasioned by the apathy and lack of interest in school that many low income parents exhibit.

The brief goes on to say:

> Can a child learn well if he is hungry, or cold, or ill-clad? Can he study well in a home that is crowded, noisy and provides little encouragement? Let us say honestly that no educational program, however well-designed and forward-looking; no teacher—however sympathetic and competent—can compensate for these primary deprivations. Moreover, there is a growing body of evidence to suggest that malnutrition, in particular, if it occurs at an early stage of the child's development, may cause irreversible damage.

The statements made in briefs we received from social workers, and stories told to us by tenants we visited about rat-ridden, vermin-infested housing in which many poor,

including children, have to live, are horrifying. How can school children study in such an environment? On one visit members of the committee saw a home where six children of school age, four girls and two boys, were living. We were asked if we wanted to see where they slept, and we climbed to an attic and found there were two beds, one a double bed with a broken spring and dilapidated mattress where the four girls slept crosswise on the bed, and a single bed in no better condition where the two boys slept. How can we expect children from homes like this, where they do not get proper rest and have no quiet place to study, to compete with children from what we consider to be normal homes? Do these children have equal opportunity for education?

Witnesses appearing before the Senate Committee on Poverty repeatedly emphasized the effect of the many deprivations suffered by children of the poor—the lack of seasonal and modern clothing worn by children of the more affluent who share the same classroom, the lack of pocket money to attend social functions where they are expected to buy a coke or a hot dog and cannot do so because of lack of money, and the embarrassment of hearing announcements over the school loudspeaker to the effect that welfare students are to pick up their supplies at a certain hour. Such "have not" children frequently are sullen, frustrated introverts or else they are boisterous dissenters. With a feeling that society does not want them, they fight back, not by getting a good education in spite of their handicaps, but by stealing or by becoming delinquents and thereby jeopardizing their entire lives.

In his book *War on Poverty* Senator Hubert H. Humphrey, who may at some time in the future be president of the United States, quotes David L. Baselon, Chief Justice of the United States Court of Appeals for the District of Columbia, as saying:

> We are beginning to realize that the rising crime rate is not caused merely by weak law enforcement. Poverty in all its manifestations—a lack of basic necessities, family breakdowns, mental disorders, unsupervised youths, school drop-outs, alcoholism, drug addiction and so on—is the chief factor producing anti-social behavior. From my own experience, I know that most defendants convicted of crimes in the District of Columbia are indigent. A successful war on poverty would come close to solving the crime problem.

Considerable evidence was given to the committee about poverty amongst working women, and especially the poverty of working women who are the sole support of their families. A woman who becomes the head of a family usually does not reach that state by choice; she is either widowed, deserted or, in some cases, separated. I have heard the argument that some women are separated because they want to be, and because they think that they can do better from being on welfare. A study conducted in Montreal showed that 50 per cent of the female heads of families who are poor are widows. According to the 1966 census of Canada there were 300,383 families headed by a female, and the number of children at home with female heads of families in that year was approximately half a million. Statistics show that if a female is the head of a family, there is a 50-50 chance that she will be poor.

[Hon. Mrs. Fergusson.]

• (1550)

The report of the Royal Commission on the Status of Women in Canada stated that 1967 data showed the average income for all female heads of families was $2,536 compared with the average income of $5,821 for male heads of families. It costs just as much for a female to house, clothe and feed a family as for a male.

Many of these female heads of families have been reintroduced into the labour market generally with skills that have become obsolete, and are at a severe disadvantage. This is one reason why these female heads of families are poor, but it is not the only reason and not even the chief reason. Many are earning low salaries or wages because of discrimination in salary or wage on the basis of sex. Sylvia Ostry, Director of the Economic Council of Canada, in a book called *The Occupational Composition of the Canadian Labour Force* published in 1967, said:

> Another factor that may result in inequality of earnings for male and female workers where other characteristics such as occupation, age and experience are similar, is discrimination in respect to wage rates or salaries. Statistics on wage rates suggest that many industries traditionally have lower rates of pay for women workers doing work equivalent to male workers. Although in some provinces there is legislation against such wage discrimination, in practice it is difficult to eliminate. No statistical data exist on the extent to which earnings are affected by differential pay scales.

And women have been reluctant to complain about inequalities because they were afraid of losing their jobs.

After I spoke in this chamber on March 7, regarding discrimination against women in wage rates and salaries, one of my colleagues challenged me outside and stated that in a business in which he was general superintendent for forty years he had insisted there should be no such discrimination, and that it had not existed. I am very happy to know this. I know there are individual businesses where fair-minded people who manage them have adopted this policy. But the various studies and the report of the Royal Commission on the Status of Women show that these are the exceptions, and that there does exist a great deal of discrimination. In any case, honourable senators, when I thought this over I felt that the fact that the superintendent had to insist on such a policy was evidence that, but for the insistence, there probably would have been discrimination.

Dr. Pauline Jewett, professor of political science at Carleton University, Ottawa, writing in *The Working Woman*, sums up the situation of women in the labour force in these words:

> The pay is low, the opportunities for advancement are rare, the hope of entering any number of higher paying or more prestigious occupations is little better than it was 30 or 40 years ago . . . Although women now constitute nearly one-third of the Canadian labour force, they are still clustered round the bottom of the economic scale.

The committee recommended that equal pay for equal work legislation be passed and enforced, and it is hoped that the recent amendments to the Canada Labour Code

will eliminate the discrimination that has existed in the past.

The chairman of the Public Service Commission when speaking to the Women's Canadian Club of Montreal on November 10, 1969, stated that "a male has 100 times the chance of reaching an annual salary of $14,000 than does a female in the public service." His reasons for this discrepancy were: (a) differences in capability; (b) differences in interests and goals; (c) differences in experience; and (d) differences in opportunity.

Subsequent to the publication of the Report of the Royal Commission on the Status of Women, which also pointed out this discrimination on the grounds of sex, changes have been made in policy toward women employees in the Public Service. These changes, which I outlined in this chamber on March 7 last, give some hope that more women will be given experience and opportunity to reach the higher pay brackets in the Public Service.

Of all the working women the ones most vulnerable in the face of sex discrimination are the sole support mothers. They are striving to support their families and are not in a position to debate discriminating actions. Female heads of families who fall within the category of the "poor in purse and in spirit" are affected by the same gaps in legislation and social attitudes as women in general, but this group of citizens suffer more acutely because of the many voids in their lives such as lack of sufficient funds to provide for themselves and their children, lack of social activities to relieve the monotony of their environment, and lack of opportunity and incentive to raise themselves above their present level and, above all, to preserve or regain their human dignity.

The presence of dependent children often prevents a woman who is head of a family from entering the labour market or restricts her to low-paid, part-time jobs. While transfer payments by way of welfare allowances do play an important role in relieving this type of situation, it is evident that much improved day care facilities such as exist in many other countries for young children could also make a major contribution, and should be supported.

As we know Canada now spends $7 billion on health and welfare. An analysis of 1969 figures by the Social Development Council, formerly the Canadian Welfare Council, showed that upper and middle class income people get a larger share of this than the poor under our present legislation. In fact Reuben Baetz, the Executive Director of the Council, estimated last September that only about 9 per cent of that money "was spent specifically for financial assistance and services for the very poorest in our population."

Our committee learned that through family allowances, which is a universal program, the well-to-do, many of whom did not need it, became better off while for the poor it was not enough. To paraphrase the quotation I gave you earlier from President Roosevelt, through family allowances in the past we were adding abundance to those who already had enough, but we were not giving enough to those who had too little.

Certainly the new amendments to the Family Allowances Act recently introduced into the other place will help to guarantee income security for our poor families including sole-support mothers, and this, of course, makes me happy for them. However, it seems to be more of the band-aid type of legislation when what is really required is a major operation. Do we want to continue indefinitely to give more to the poor because they are poor, or should we adopt policies that will eliminate poverty?

As I said before, all children of the poor are at a disadvantage in today's society but it is the children of sole-support mothers, and the mothers of those children, who really haunt me.

The brief to the committee from the Catholic Women's League of Canada stated:

> A woman without a husband, the lone head of a household, suffers poverty in many more ways than lacking money for everyday living expenses. She suffers from the weight of responsibility on her shoulders; from loneliness; sometimes from guilt; from being 'different' in a world geared to the family unit—a husband, wife and children; from being taken advantage of in many ways, knowing it and not being able to do anything about it; from being emotionally and physically exhausted.

• (1600)

One of these women who was a witness at a hearing in Winnipeg told us:

> I am 40 years old and I have lived on and off public welfare since I was 17. I was married at age 15 and I have had 13 children and my first marriage didn't work out. This was partly due to lack of income, poor housing and many other pressures. We were separated many times and are now separated entirely. Welfare has treated me as best they could but my allowance was never adequate. The basic necessities were met but they were just barely enough to live on. I never ever had enough income, no matter how much I stretched the budget—my children have never had a doll carriage or a bicycle. I have never had a winter coat or a pair of winter boots. Perhaps it's no wonder that my children steal small items from grocery stores.
>
> Many of the mothers on welfare have this problem because their children soon learn that at the end of each month they are sure to be short of food.
>
> In the past when my problems were too much for me and I had no one to help me I many times contemplated suicide. I was fortunate, I never went through with it.

This was from one of the witnesses who appeared before us.

If time permitted, I could tell you of many other groups, in addition to the sole-support mothers, who suffer great hardships under our present system. Chief among those I would like to discuss are the older citizens. Statistics Canada has recently released figures showing the heavy proportion of older people who have very low incomes.

Honourable senators, I know that I have kept you very long and I also know very well that "the longer the spoke the greater the tyre," so I will not continue. My only excuse for speaking so long is my very great interest. Actually I have told you only a very few of the many experiences of members of your Special Committee on

Poverty, but they may be enough for you to understand why I feel very strongly that poverty should be eliminated.

The committee studied in depth the problems of the 25 per cent of our population, approximately five million people, who are poor. The report produced by the committee is an important social document on a subject concerning which very little research had been done previously. I support the recommendations in the report, including the key recommendation regarding a guaranteed annual income.

If the recommendations of the Special Committee on Poverty are implemented they will create changes that will enhance the quality of life for Canadians, and will rid our present welfare and social service systems of the discrepancies, inconsistencies, and stigmas they now contain. These recommendations, if followed, will institute a meaningful income maintenance policy of which Canadians of the future can be proud. If they are implemented it will no longer be possible to say, as the Economic Council said in its Fifth Annual Review, that the "persistence of poverty at a time when the bulk of Canadians enjoy one of the highest standards of living is a disgrace."

On motion of Hon. Mr. Smith, for Hon. Mr. Duggan, debate adjourned.

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from Tuesday, March 21, consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. Eugene A. Forsey: Honourable senators, it is a little dispiriting to rise in so thin a house to speak on so important a subject. One of the advantages of having been a member of the CCF for as long as there was a CCF, is that anything over seven people qualified as a mass meeting. I am therefore addressing, by the old CCF standard, a monster mass meeting, several times the seven who used to constitute a mass meeting in the early days of my inglorious political career.

It is desirable, on a number of grounds, that I set forth certain of my views on this subject today and postpone the delivery of the rest of my speech until a later occasion. This is not only because there are relatively few honourable senators present, and a considerable number of those are probably anxious to get away and catch a train or aircraft. It is also because the amount of detail into which I intend to go with respect to certain parts of the subject is considerable. Even in the best of circumstances the patience of honourable members is not unlimited.

Hon. Mr. Flynn: You have a captive audience now because of the storm.

Hon. Mr. Forsey: I am sorry I cannot hear the interjection of the honourable Leader of the Opposition. I shall have to postpone until the debates appear the pleasure of reading what he said. If I were to put on this contraption and wire myself for sound I would probably be unable to make a speech with even the tolerable degree of success I might otherwise achieve.

The first point I wish to make, honourable senators, is the obvious one that we the other night listened to what seemed to me to be a masterly speech by the Senate co-chairman of this committee. I really do not see how the speech of Senator Molgat could have been improved upon. It seemed to me to hit just the right points and strike just the right note. It might be thought that perhaps after that speech very little remains to be said. On the other hand, as Senator Molgat indicated, probably most of us who sat on the committee had certain reservations, certain points of dissent or certain aspects which we might wish to emphasize. Senator Molgat himself indicated that when he came to close the debate he would probably say something with respect to certain features of the report with which he was himself in imperfect sympathy.

Like Senator Molgat, I came in half way through the proceedings of the committee. I was not a member of this house when the committee was appointed. I became a member of the committee very soon after I joined the ranks of senators. I counted it a great honour and a heavy responsibility to be a member of this committee, because it was dealing with a matter of first class importance, extreme importance to the whole future of the country.

• (1610)

I am sorry that I missed not only the earlier sittings of the committee when I was not a member of this house, but also some of those that took place after I actually joined the committee. I was fairly assiduous in my attendance, but on one or two occasions flu laid me low, and I could not be present as I had expected to be, and on certain other occasions my academic duties of last year prevented me from being present. However, I attended most of the hearings after I became a member of this house.

Hon. Mr. Martin: You were a good member of the committee.

Hon. Mr. Forsey: Everything that has been said about the comprehensiveness and thoroughness of the investigation that was conducted is amply justified by the part of the proceedings which I witnessed. It was strenuous work, but I thoroughly enjoyed it, nonetheless. It was not merely enjoyable and entertaining. It was sometimes amusing, sometimes exciting, sometimes exhilarating. But also, there reigned in the committee a very admirable spirit.

We hear a great deal nowadays about dialogue. I have become rather sick of that word. I think it is one of the words that are ridden to death. I suppose in a few years it will lie there, and none so poor to do it reverence. But at the moment I cannot think of a better word to describe what went on in the committee. I think it was a genuine dialogue, not the sort of thing that people who talk about dialogue sometimes mean. Some people, when they talk about dialogue, mean "Now, I shall speak and you will listen; not only listen, but believe and obey." That sort of Mussolini or Hitler dialogue was not the kind of thing that went on in this committee.

There was a genuine exchange of views. There was a genuine willingness to listen, not only to the witnesses but also to the other members of the committee. There was a genuine, prolonged and sustained attempt to understand

the different points of view which were represented, and there was an immense diversity of points of view. I think every member of the committee would agree that this is so.

If I remember correctly, Senator Molgat referred to the fact that we rarely if ever divided on party lines. I cannot myself think of a single instance. To the best of my recollection also, we rarely divided on linguistic lines. Again, I cannot remember a single instance where that was so. It is possible, of course, that an assiduous study of the record, or an assiduous effort of recollection on the part of certain other members of the committee, might show that I am to a certain degree incorrect in these statements. However, I think it is substantially true, at all events. Never, either, that I can recall, did we divide on the lines of a division between members of the House of Commons and the Senate. I think in every instance one found, in any difference of opinion, members of both houses on each side of that difference.

This, I think, is a very admirable feature of the committee's work, and one from which all members of the committee must have benefited, as I know I did.

To my mind there is no question that the senators who were members of the committee made a most valuable contribution to the proceedings. Not only was there, on the whole, rather more stability of membership from the senatorial side, and understandably so, but I think that the senatorial members of the committee put their backs into the job and worked really hard at it.

I was not a member of the committee at the time that Senator Lamontagne was co-chairman, except very briefly at the end of his term, when he was heavily preoccupied with the Committee on Science Policy; therefore I cannot bear personal testimony to the work that he did in the earlier part of the committee's proceedings. From my long friendship with Senator Lamontagne, and my knowledge of his great gifts, I am confident that even though he was not able to give to our committee, when he was co-chairman, all the time and energy he would have given had he not been busy with the Science Policy Committee, he made a most distinguished contribution to its proceedings.

However, I can speak with knowledge of the work of most of the other senatorial members of the committee, and I should like to pay very special tribute to the work of the Senate co-chairman in the later part of the proceedings, our colleague, Senator Molgat.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Forsey: Senator Molgat presided on a great many occasions, and on some of the most difficult occasions. He did so always with firmness, with discretion, with tact, with good humour, with wit; and on more than one occasion, faced with extremely rowdy people among the witnesses, he handled the situation in a way that was beyond praise.

I was not myself present on one or two of the worst occasions, but I was present on others when he had to deal with impatient and somewhat unruly people, and did so in a most admirable fashion. His contribution to the drafting of the report was, of course, immense.

It may seem a little invidious to pick out any other one member of the committee from the Senate side, but I should also like to pay a special tribute to my desk mate, Senator Lafond. He took what I think may be called a quiet and inconspicuous part in the proceedings of the committee, but over and over again, when we ran into difficulty, and when the members of the committee were at loggerheads, sometimes almost at daggers drawn, when the discussion grew fast and furious, suddenly the still small voice of Senator Lafond was heard saying, "Mr. Chairman, I have a suggestion to make." In every instance, or in almost every instance, we looked at each other after Senator Lafond had made his suggestion and said, "Why, of course, the obviously sensible thing! Why on earth did we get all excited about this? Why did we squabble and row about this point, when it is perfectly evident that this is the solution to the problem?" Not only were the proposals that Senator Lafond suggested almost invariably the quintessence of common sense and wisdom, but they were admirably drafted. Very seldom did we have anything to suggest by way of improvement.

I say this with special emphasis, because I did not always agree entirely with everything that Senator Lafond suggested. But even when I disagreed, I said to myself, "This is a well-founded suggestion. This is an admirably phrased suggestion. This is an excellent contribution to the discussion of this particular point." In nearly every instance I found myself in agreement with what he suggested, and I could not help wondering why in the name of goodness none of the rest of us had thought of it.

I wished to pay that special tribute to Senator Lafond because although his part in this chamber, as in the committee, is not always very conspicuous, it is a most valuable one, and over and over again his is the still small voice of reason which recalls us to the essence of the matter before us and to the sensible way of dealing with it.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Forsey: I could, of course, say a good deal about the contribution of the other members of the committee. I want to emphasize that I am not intending to suggest that only Senator Molgat and Senator Lafond performed a great service from the senatorial side of the committee. I mention those two special contributions which, in my judgment, certainly stood out.

• (1620)

The other thing I wanted to say in tribute to the work of the committee refers to the co-chairman from the other place, Dr. Mark MacGuigan. In Dr. MacGuigan we had not only an extraordinarily learned chairman, not only a master of the English language whose contribution in the drafting of the English version of the report is overwhelming and of signal merit, but a chairman of really superhuman patience. An old professor of mine at McGill years ago observed, after speaking of a highly improbable last minute, death-bed conversion in a novel by the English novelist Smollett, that Smollett himself apparently was aware of the improbability of this and had, accordingly, ended the work with the phrase "But the mercy of God is infinite." The professor in question added "and the mercy of Smollett is more so." I felt at times inclined to say, of

Dr. MacGuigan, "The mercy of God is infinite, but the mercy of MacGuigan is more so."

Occasionally I felt he was, if anything, too patient. The qualities of endurance, patience, and good humour that he showed were, to my mind, most outstanding, and I am in position to pay special tribute to those qualities because I am afraid I was at times one of the more unruly members of the committee, and I benefited from the kindness, tolerance and patience of Dr. MacGuigan as well as, of course, that of Senator Molgat.

Once again, I do not wish to suggest that simply because I refer to Dr. MacGuigan from the other side I am in any way depreciating the contribution of other members from the other place, but I must reiterate that Dr. MacGuigan's part in the proceedings was beyond question one of the most important contributions.

As for the report itself, I think on the whole it is a sensible report. If that seems faint praise—a tepid adjective—let me assure honourable senators that from me it is not. The number of people who are highly intelligent and highly educated, but who have, it seems to me, no common sense, is staggering. For me the word "sensible" is one of the most laudatory adjectives which I could employ. I feel the report is, in general, a sensible one. I feel it is reasonable, practicable, and I think it is the kind of report which could lead to some important constitutional developments. I do have my reservations about it, however, and I shall voice them perhaps *fortissimo* before I am done, but in general I feel it is a good report.

Hon. Mr. Martin: May I make a suggestion to the honourable senator by way of interpolation? What he is going to say on this debate is, I know, of great importance. He is a constitutional authority, and I should like to see his statements on matters of substance given to the fullest possible attendance by the Senate. A great many matters in the report concern the Senate.

The honourable senator certainly does not have to take up my suggestion—it is entirely up to him—but if he feels he should adjourn the debate so that he may have a larger group to listen to him, I am sure that would certainly meet with the approval of those of us here.

The decision is one that rests with Senator Forsey, of course, and I only make it in fairness to him.

Hon. Mr. Forsey: I thank the Leader of the Government for that suggestion. I was inclined to think that perhaps closure would be applied at an early time by the absence of a quorum.

Hon. Mr. Martin: We would certainly not have closure. We always have a quorum for the honourable senator.

Hon. Mr. Forsey: I think I should take advantage of the suggestion by the Leader of the Government after I have finished with one or two other small points which I should like to make at this time. I do not wish to stop in mid-paragraph, as it were, although I recognize the wisdom, as well as the kindness to me, of what the Leader of the Government has said.

When I say that the report seems to me to be generally sensible, I should like to underline that by saying that I think on the whole it might be summed up in the words "back to the Fathers of Confederation." I feel essentially it is trying to get us back to an up to date version of the kind of thing that the Fathers of Confederation were trying to do. They made the basic distinction between what they called matters of general interest and matters of local interest, local meaning more than municipal or small areas. Matters of general interest concerned the whole country, and matters of local interest concerned a particular province or section of the country. This, it seems to me, the report also does. The Fathers of Confederation tried to divide the powers between the Dominion and the provinces along functional lines, and this again is exactly what this report attempts to do.

I think it is interesting to notice that Sir Georges Etienne Cartier, when he was discussing division of power in the Debates on Confederation in the Parliament of the Province of Canada in 1865 said at page 55:

> —in the questions which would be submitted to the General Parliament there could be no danger to the rights and privileges of either French Canadians, Scotchmen, Englishmen or Irishmen. Questions of commerce, of international communication, and all matters of general interest, would be discussed and determined in the General Legislature.

And at page 60 he said that the control of the General Government was to be over the large questions of general interest in which the differences of race or religion had no place, such questions as defence, tariff, excise, or public works.

In other words, he was saying what I have heard put in other terms more recently by some other people, that there is not really a Protestant way of building a railway, a Roman Catholic way of sending a telegram, a French way of levying a customs duty, or an English way of imposing an income tax. You simply build a railway, levy a tariff, impose a customs duty, or whatever it may be. These are not questions on which people are ordinarily thought to be divided because of their language, ancestry, or the particular cultural group to which they belong.

I think we have in this report essentially the same type of distinction drawn. On great economic questions which affect the whole country the report says essentially, "Let us give these to the central Parliament and Government," and on matters which are cultural and social, or social-cultural, the report substantially says, "Let us give these predominantly, at least, to the provinces, sometimes with some overriding provision for a paramountcy for the legislation of the Parliament of Canada or the action of the Government of Canada, sometimes not."

The difference between what the Fathers of Confederation suggested and what the committee is suggesting is that nowadays things which were formerly not thought of as having much to do with culture, in the technical sense of that word, are now considered to be within that sphere, so that the sphere of cultural matters which are left to the provinces, or predominantly to the provinces, is somewhat widened. Essentially, it is the same thing, because even in 1867, things like prisons, charitable or eleemosynary institutions—a splendid word that eleemosynary, absolutely grand; Dr. Leacock used to roll it around his tongue with great unction—hospitals and asylums, except of course marine hospitals for certain obvious reasons, control over property and civil rights, as well as a number of other matters which were of special interest and impor-

tance to the provinces, were left to them. What we have done, in effect, in this report is to suggest that the cultural matters, in the view of the Fathers of Confederation "local" matters, should be left predominantly to the provincial legislatures and governments. I do not think there is a substantial difference there from the kind of thing the Fathers of Confederation intended. On the contrary, I think there is an adherence to it.

• (1630)

At that point, honourable senators, I think I should take advantage of the kind and generous suggestion—shall I say, from the point of view of those who are listening to me, the merciful suggestion—of the Leader of the Government and ask leave to defer until the next time this matter comes before the house the statement that I want to make about my dissents on certain features of the report. I have approximately ten or a dozen points, some major and some minor, on which I dissent most emphatically. This is a good report in general, but there are some parts of it that, in my judgment, are foolish; some parts that are perhaps dangerously foolish, and I propose to say so with some emphasis, and indeed with all the vigour at my command, when next I have the honour to address this assembly.

With leave of the Senate, therefore, I should like to move, although perhaps it is not strictly necessary to ask leave, that this debate be adjourned until the next sitting.

On motion of Hon. Mr. Forsey, debate adjourned.

HON. JOSIE D. QUART

FELICITATIONS ON RETURN TO CHAMBER

Hon. Paul Martin: Honourable senators, the other day I had hoped to express on behalf of you all our great pleasure at seeing Senator Quart back in her seat. Unfortunately, just as I was about to do so she left the chamber and the opportunity was then denied me. We are all very happy to see her here today, and in such good health.

Hon. Senators: Hear, hear.

Hon. Josie D. Quart: Honourable senators, may I just say that it was worth while being ill to have had such a warm reception when I came back. So many of you have written to me. If you missed me half as much as I missed you all, then I am very happy.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

APPOINTMENT OF SENATE MEMBERS TO JOINT COMMITTEE—NEWSPAPER REPORT

Hon. Paul Martin: Honourable senators, I have been asked by a member of this house who had to leave to comment briefly on a story that appeared in one of the newspapers this morning. I have before me the story in the *Globe and Mail* under the heading: "12 MPs chosen for committee to scrutinize Government abuse." The story says in the first paragraph that a Commons-Senate Committee had been established. The next paragraph goes on to say that the government had named twelve MPs, who will join eight senators on the scrutiny committee. There is then a list of the members of the other place, from all parties and some twelve in number, who constitute part of this 18-member committee. There is no reference whatsoever to the senators who have been appointed.

In the hope that the press will make its story more complete, I would point out that there is no mention of the fact that on March 9 the Senate appointed eight senators to act on behalf of the Senate on the Standing Joint Committee of the Senate and House of Commons on Regulations and other Statutory Instruments, and sent a message to the House of Commons accordingly. Those senators are: the honourable Senators Fergusson, Forsey, Goldenberg, Grosart, Haig, Lafond, Molson, and Rowe.

The Senate adjourned until Monday, March 27, at 8 p.m.

25312—15

APPENDIX

(*See page 210.*)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE ON SUPPLEMENTARY ESTIMATES (B) PRESENTED BY HON. DOUGLAS D. EVERETT

THURSDAY, March 23, 1972.

The Standing Senate Committee on National Finance, to which were referred the Supplementary Estimates (B) for the fiscal year ending March 31, 1972, has in obedience to the order of reference of March 8, 1972, examined the said Supplementary Estimates and reports as follows:

1. The Committee has examined the said Supplementary Estimates (B) and has heard evidence thereon from Mr. D. B. Dewar, Deputy Secretary, Program Branch, Treasury Board, and Mr. B. A. MacDonald, Director General, Budget Coordination, Treasury Board.

2. The said Supplementary Estimates (B) provide for total expenditures for which Parliament will be asked to provide funds of $185,000,000; statutory expenditures of $98,000,000 and loans, investments and advances in the amount of $434,000,000. This brings the total of the Main and Supplementary Estimates for the fiscal year ending March 31, 1972 to $16,474,000,000 of which $15,195,000,000 is for budgetary items and $1,279,000,000 is for loans, investments and advances.

3. The major items of expenditure under Supplementary Estimates (B) are as follows:

$20 million to recoup the Agricultural Commodities Stabilization Account for deficiency payments paid on hogs;

$12 million under the Canadian International Development Agency to provide aid for rehabilitation and reconstruction in East Bengal;

$145 million for loans to developing countries;

$40 million being an upward revision in the amount forecast as payable in equalization payments to the provinces;

$92 million for a revision in the forecast of payments to Quebec under the Established Programs (Interim Arrangements) Act—principally because of higher hospital services costs and higher welfare costs;

$11 million to the Canadian Wheat Board for losses incurred in the operation of the barley pool account for the crop year ending July 31, 1971;

$68 million for payments to producers for wheat to increase their returns from wheat going in to domestic consumption;

$25 million in additional funds for the local Initiatives Programs under the Department of Manpower and Immigration;

$25 million for a revision in the forecast of Canada Assistance Plan payments which the federal government makes to the provinces in sharing their welfare costs;

$15 million to the Ministry of Transport to cover the cost of three ferry vessels originally financed under a loan vote in 1968-69.

4. Your Committee expressed continued concern regarding the use of $1 items in the Appropriation Acts to amend other legislative enactments. One of these concerns respects the difficulties that this method of legislation creates in reporting the amendments to the legal profession and the general public. Accordingly, your Committee recommends as follows:

> In the opinion of the Committee it is desirable that any amendment to an existing Act of Parliament be made by a separate amending Act of Parliament other than an Appropriation Act and that the present practice of amending legislation by $1 votes in the Main and Supplementary Estimates is unsatisfactory for several reasons, including the fact that such amendments are not systematically reported either in law reports, digests or other sources of information readily available to the legal profession and the public.
>
> It is recognized, however, that there may be cases where separate amending acts for each and every legislative amendments now made by Appropriation Acts would unnecessarily add to problems of time and timing in the already overburdened Parliamentary legislative processes.
>
> The Committee therefore recommends that consideration be given to the formalization of the amending effects of such $1 votes in Appropriation Acts by explicit amendments to the existing Acts concerned in a separate schedule to any Appropriation Act where such amendments are required.

5. Your Committee was provided with the explanation of $1 items in the said Supplementary Estimates (B) and a copy of this document is appended as an addendum to this report.

6. Your Committee recommends that where possible the type of explanation used in the document attached as an addendum to this report be used in the description of the expenditure in the Supplementary Estimates (B). Your Committee also recommends that in future the explanation of $1 items be provided in advance of the hearings on the Supplementary Estimates.

Respectfully submitted.

D. D. EVERETT,
Chairman.

EXPLANATION OF ONE DOLLAR ITEMS

SUPPLEMENTARY ESTIMATES (B), 1971-72

Summary

The one dollar items included in these Estimates have been grouped in the attached according to purpose.

A One dollar items authorizing transfers from one vote to another within a Ministry to meet certain increased costs or additional expenditures to be incurred (20 items including 8 items which also appear in Sections B and C).

B One dollar items which require listing in the Estimates in order to secure approval of certain grants and contributions (7 items including items 10b for External Affairs and 15b of Secretary of State which also appear in Section A).

C One dollar items which are legislative in nature (20 items including 5 items to authorize deletion of debts due to the Crown and 6 items which also appear in Section A).

Estimates Division,
March 1972.

SECTION A

ONE DOLLAR ITEMS AUTHORIZING TRANSFERS FROM ONE VOTE TO ANOTHER WITHIN A MINISTRY TO MEET CERTAIN INCREASED COSTS OR ADDITIONAL EXPENDITURES TO BE INCURRED (20 ITEMS INCLUDING 8 ITEMS WHICH ALSO APPEAR IN SECTIONS B AND C)

Energy, Mines and Resources

Vote 1b—The amount of transfer to this vote is $98,899.

Purpose—This additional amount will be used to provide for:

(*a*) the cost of a reorganization within the Department including the hiring of senior and support staff as well as other minor staff requirements $ 82,000

(*b*) the additional cost of repairs based on a recently completed inventory of office machines by the Department of Supply and Services $ 17,000

Source of funds—Vote 5 ($98,899)—Funds are available due to delays in recruitment of staff and consequent underexpenditures in salaries and associated costs.

Environment

Vote 1b—The amount of transfer to this vote is $914,999.

Purpose—This additional amount will be used to provide for the following:

(*a*) the cost of hiring consultants and travel for departmental staff to carry out organizational studies $ 100,000

(*b*) the cost of developing and establishing consistent management systems throughout the new department. This involves the retention of consultants and the holding of certain conferences and seminars by departmental officials at headquarters and regional offices $ 150,000

(*c*) the issue of new or revised forms and manuals for day-to-day operations of the new Department $ 200,000

(*d*) the hiring of contract staff to supplement regular staff while working on task forces and to provide for increased workload in all operational areas of the Department $ 175,000

(*e*) the purchase of new furniture $ 170,000

(*f*) moving and associated costs $ 120,000

Source of funds—Vote 15 ($914,999)—Funds are available as the result of certain contributions not being made under the Canada Water Act due to delays in reaching agreements with Provincial authorities on river basin studies.

Environment

Vote 10b—The amount of transfer to this vote is $899,999.

Purpose—This additional amount is to be used to provide for:

(*a*) the purchase of equipment to replace that formerly provided by the Department of Energy, Mines and Resources ($300,000) and the purchase of additional Hydrological equipment ($200,000) $ 500,000

(*b*) the purchase of equipment for the Canada Center for Inland Water, Burlington, Ontario ($110,000) and the Pacific Water Quality Laboratory in Westminster, B.C. $ 310,000

(*c*) renovations to the laboratories at Moncton, N.B. and Calgary, Alta. $ 90,000

Source of funds—Vote 5 ($599,999)—Funds available due to delays in certain federal projects.

Vote 15 ($300,000)—Funds available as the result of contributions not being made under the Canada Water Act due to delays in reaching agreements with Provincial authorities on river basin studies.

Environment

Vote 20b—The amount of transfer to this vote is $1,009,999.

Purpose—The additional amount will be used to provide for:

(*a*) increased costs of fish inspection as the result of Mercury in Marine and Freshwater samples of commercial fish $ 478,000

(*b*) a payment to the Great Lakes Fisheries Commission to assist with the control of Lamprey $ 200,000

(*c*) a payment to the Canadian Forestry Service to cover a damage award made as the result of a vehicle accident and the purchase of air reconnaissance film ($5,000) $ 117,000

(*d*) the payment of the travel expenses incurred as a result of the sponsoring of a conference by the Fisheries Advisory Council ($40,000) and the payment of the expenses of the Special Advisory Committee on Atlantic Seals $ 90,000

(*e*) miscellaneous other expenditures including sportsmen shows and publicity for alien sports license fees ($50,000) $ 75,000

(*f*) the balance of Emergency Assistance to the Province of Ontario. The total approved under the Agreement with the Province was $1,360,000. This Agreement was not completed in time for inclusion of the total cost in previous Supplementary Estimates $ 50,000

Source of Funds—Vote 15 ($1,009,999)—Funds are available as the result of contributions not being made under the Canada Water Act, due to delays in reaching agreements with Provincial authorities on river basin studies.

External Affairs

Vote 5b—The amount of transfer to this vote is $210,999.

Purpose—This additional amount is required to provide for a portion of cost of setting up a diplomatic mission in Algeria. The balance of the cost is to be absorbed.

Source of Funds—Vote 1 ($210,999)—Funds are available due to reductions in the operating expenditures for foreign operations and allowances.

External Affairs

Vote 10b—(Also listed in Section B)—The amount of transfer to this vote is $35,299.

Purpose—This additional amount will be required to provide for the payment of:

(*a*) a grant to the Atlantic Association of Young Political Leaders. The aim of this NATO-approved Association is to promote understanding, interchange of ideas and cooperation among political youth organizations of the Atlantic area. $ 300

(*b*) a grant to the Pacific Basin Economic Council. This grant will be used in the organization and establishment of this Council $ 25,000

(*c*) a grant is proposed to United Nations Trust Fund for South Africa. This fund provides legal assistance as well as relief, education and training to persons and their families in South Africa and to refugees $ 10,000

Source of Funds—Vote 1 ($35,299)—Funds are available due to reductions in the operating expenditures for foreign operations and allowances.

Indian Affairs and Northern Development

Vote 60b—The amount of transfer to this vote is $671,999.

Purpose—The additional amount will be used to provide for the payment of:

(*a*) the costs of accelerating the development of new National Parks in Newfoundland, Quebec, Ontario and British Columbia $ 558,000

(*b*) the cost of additional administrative costs incurred by staff of several regional offices as the result of the implementation of employment stimulation programs in Quebec, Ontario and Vancouver, B.C. $ 114,000

Source of Funds—Vote 65 ($671,999)—Funds are available due to unavoidable delays not only in minor capital projects which have little labour content, but also in the acquisition of land.

National Defence

Vote 5b—(Also listed in Section C)—The amount of transfer to this vote is $15,400,000.

Purpose—This additional amount will be used to provide for the payment of:

(*a*) retroactive civilian pay increases $5,000,000

(*b*) the cost of commodity price increases and currency revaluations $5,100,000

(c) the cost of removal expenses due to new schedules having been implemented with comparable provisions to those extended to Public Servants $4,000,000

(*d*) the cost of implementing pay parity for Reserves and Cadets $1,300,000

Source of Funds—Vote 10 ($15,400,000)—Funds are available due to production and delivery delays and cost changes. No planned projects have been restricted or deferred.

National Health and Welfare

Vote 40b—The amount of transfer to this vote is $171,000.

Purpose—This additional amount is required to supplement funds approved for the 1971 Student Summer Employment Program

Source of Funds—Vote 25 ($171,000)—Funds are available due to the delays in the construction of two Food and Drug Laboratories in Montreal and Toronto.

Public Works

Vote 10b—The amount of transfer to this vote is $999,999.

Purpose—The additional amount will be used to finance the cost of additional Federal Labour Intensive Projects to be carried out in connection with the repair and upkeep of Federal Buildings as well as tenant alterations to leased space.

Source of Funds—Vote 15 ($999,999)—Funds are available due to slippage in the capital building program.

Public Works

Vote 20b—The amount of transfer to this vote is $600,000.

Purpose—This additional amount will be used to carry out miscellaneous repairs to wharfs, floats, transit sheds, breakwaters and other marine structures at various locations throughout Canada.

Source of Funds—Vote 40 ($600,000)—Funds are available due to delays in completing negotiations for a cost-sharing agreement covering the construction of a highway bridge between New Brunswick and Quebec.

Secretary of State

Vote 15b—(Also included in Section B)—The amount of transfer to this vote is $1,049,999.

Purpose—The additional funds will be required to provide assistance to cultural organizations.

Source of Funds—Vote 10 ($607,000)—Funds are available from the Bilingualism Development Program due to delays in the signing of agreements with Provincial governments.

—Vote 30 ($442,999)—Funds are available due to delays in recruitment of qualified staff.

Solicitor General—Correctional Services

Vote 5b—(Also listed in Section C)—The amount of transfer to this vote is $1,296,716.

Purpose—This additional amount will be used to provide for the payment of:

(*a*) overtime, salary revisions, costs of accelerating the opening of Millhaven and stepped-up temporary absence program, etc.	$ 950,000
(*b*) the cost of repairs to plumbing and electrical systems, windows, etc. following the Kingston Penitentiary riot	$ 111,000
(*c*) legal fees for staff brought before courts following Kingston riot	$ 90,000
(*d*) an additional grant to the After Care Agencies for inmates	$ 75,000
(*e*) the cost of various studies undertaken and other minor increases	$ 51,000
(*f*) reimbursement of the Industrial and Stores Account	$ 19,717

Source of Funds—Vote 10 ($1,296,716)—Funds are available mainly due to the deferment of the new facilities in British Columbia pending the result of a policy review on the nature and location of maximum security institutions and the deferment of the new Ontario Reception Centre to permit reassessment of design.

Solicitor General—Royal Canadian Mounted Police

Vote 25b—The amount of transfer to this vote is $414,999.

Purpose—This additional amount will be used to provide for the payment of:

(*a*) the cost of purchasing vehicles and other equipment related to the Enforcement of Federal Statutes and Executive Orders and other minor items	$ 133,000
(*b*) the purchase of vehicles and other equipment required by the Force in the carrying out its responsibility for Police Services under Contract	$ 282,000

Source of Funds—Vote 10 ($414,999)—Funds are available mainly due to the deferment of new facilities in British Columbia pending the result of a policy review on the nature and location of maximum security institutions and the deferment of the new Ontario Reception Centre to permit reassessment of design.

Supply and Services—Canadian Commercial Corporation

Vote 20b—The amount of transfer to this vote is $208,020.

Purpose—To authorize the reimbursement of the Canadian Commercial Corporation Operating Reserve for losses incurred from 1965-66 to 1971-72.

Source of Funds—Vote 5 ($208,020)—Funds are available due to the redeployment of purchasing resources.

Transport

Vote 5b—The amount of transfer to this vote is $253,286.

Purpose—This additional amount will be used to provide for:

(*a*) the cost of hiring casual staff required	$ 48,000
(*b*) the cost of repairs following the grounding of a Coast Guard vessel ($175,000) and additional cost of oil pollution clean-up costs relating to the "Arrow"	$ 205,286

Source of Funds—Vote 10 ($253,286)—Funds are available due to delays in awarding a contract for the construction of the Marine Agency Building at Quebec.

Transport—Atlantic Pilotage Authority

Vote 110b—(Also listed in Section C)—The amount of transfer to this vote is $223,999.

Purpose—This additional amount is required to provide for the operating deficit of the Atlantic Pilotage Authority for the period February 1 to March 31, 1972.

Source of Funds—Vote 10 ($223,999)—Funds are available due to delay in awarding a contract for construction of the Marine Agency Building at Quebec.

Transport—Great Lakes Pilotage Authority

Vote 115b—(Also listed in Section C)—The amount of transfer to this vote is $360,999.

Purpose—This additional amount is required to provide for the operating deficit of the Great Lakes Pilotage Authority for the period February 1 to March 31, 1972.

Source of Funds—Vote 10 ($360,999)—Funds are available due to delay in awarding a contract for construction of the Marine Agency Building at Quebec.

Transport—Laurentian Pilotage Authority

Vote 120b—(Also listed in Section C)—The amount of transfer to this vote is $203,999.

Purpose—This additional amount is required to provide for the operating deficit of the Laurentian Pilotage Authority for the period February 1 to March 31, 1972.

Source of Funds—Vote 10 ($203,999)—Funds are available due to delay in awarding a contract for construction of the Marine Agency Building at Quebec.

Transport—Pacific Pilotage Authority

Vote 125b—(Also listed in Section C)—The amount of transfer to this vote is $155,999.

Purpose—This additional amount is required to provide for the operating deficit of the Pacific Pilotage Authority for the period February 1 to March 31, 1972.

Source of Funds—Vote 10 ($155,999)—Funds are available due to delay in awarding a contract for construction of the Marine Agency Building at Quebec.

SECTION B

ONE DOLLAR ITEMS WHICH REQUIRE LISTING IN THE ESTIMATES IN ORDER TO SECURE APPROVAL OF CERTAIN GRANTS AND CONTRIBUTIONS (7 ITEMS INCLUDING ITEMS 10b FOR EXTERNAL AFFAIRS AND 15b FOR SECRETARY OF STATE WHICH ALSO APPEAR IN SECTION A)

Energy, Mines and Resources

Vote 5b—To authorize a grant of $15,000.

Explanation—The proposed grant to the Petroleum Industry Training School in Edmonton will provide for part of the capital cost of establishing a course to improve the skills of personnel in the gas and oil drilling operations. This project will be shared by the Province of Alberta, the Petroleum Industry and the Federal Government. This training service will be part of the Northern Alberta Institute of Technology. A grant will also be provided by the Department of Indian Affairs and Northern Development toward this new School, which will concentrate initially on Oil Well Control training appropriate to operating conditions in northern Canada.

Source of Funds—Vote 5 ($14,999)—Funds are available due to delays in recruitment of staff and consequent underexpenditures in salaries and associated costs.

Environment

Vote 15b—To authorize the payment of additional grants totalling $150,000.

Explanation—This additional amount is required to provide for the payment of additional grants in aid of water research under the Canada Water Conservation Assistance Act. Applications received for research grants have exceeded the originally approved amount of $495,000.

Source of Funds—Vote 15 ($149,999)—Funds are available as the result of contributions not being made under the Canada Water Act due to delays in researching agreements with provincial authorities on river basin studies.

External Affairs

Vote 10b—(Also listed in Section A)—To authorize the payment of additional grants totalling $35,306.

Explanation—This additional amount will be required to provide for the payment of:

(*a*) a grant to the Atlantic Association of Young Political Leaders. The aim of this NATO-approved Association is to promote understanding, interchange of ideas and co-operation among political youth organizations of the Atlantic area	$ 300
(*b*) a grant to the Pacific Basin Economic Council. This grant will be used in the organization and establishment of this Council	$ 25,000
(*c*) a grant is proposed to United Nations Trust Fund for South Africa. This fund provides legal assistance as well as relief, education and training to persons and their families in South Africa and to refugees	$ 10,000

Source of Funds—Vote 1 ($35,299)—Funds are available due to reductions in the operating expenditures for foreign operations and allowances.

Indian Affairs and Northern Development

Vote 30b—To authorize a grant of $30,000.

Explanation—The proposed grant to the Petroleum Industry Training School in Edmonton will provide part of the capital cost of establishing a course to improve the skills of personnel in the gas and oil drilling operations. This project will be shared by the Province of Alberta, the Petroleum Industry and the Federal Government. This training service will be part of the Northern Alberta Institute of Technology. A grant will also be provided by the Department of Energy, Mines and Resources towards this School which will concentrate initially on providing Oil Well Control training appropriate to operations in northern Canada.

Source of Funds—Vote 30 ($29,999)—Funds are available from provision made for a grant to the Government

of Yukon Territory to cover costs of Indians under a territorial Medicare plan. Because the initiation of Medicare was postponed by one year, the grant will not be made.

Labour

Vote 1b—To authorize the payment of $350,000 in Transitional Assistance Benefits.

Explanation—A higher number than expected of eligible workers who were laid-off as a result of the Canada-United States Automotive Agreement are claiming benefits under the Transitional Assistance Benefit Program. This Program provides supplementary income over and above Unemployment Insurance Benefits for workers certified by the Automotive Adjustment Assistance Board.

Source of Funds—Vote 1 ($349,999)—Payments under the Adjustment Assistance Benefits Program (Textile Workers) have been less than expected.

National Health and Welfare

Vote 1b—To authorize the payment of a grant of $250,000.

Explanation—It is proposed to pay an additional grant of $250,000 to the United Nations Fund for Drug Abuse Control in 1971-72 instead of 1972-73. This grant was originally provided within the 1972-73 Estimates.

Source of Funds—Vote 1 ($249,999)—Funds are available due to certain reductions elsewhere in the Program.

Secretary of State

Vote 15b—(Also listed in Section A)—To authorize grants totalling $1,050,000.

Purpose—It is proposed to provide assistance to cultural organizations.

Source of Funds—Vote 10 ($607,000)—Funds are available from the Bilingualism Development Program due to delays in the signing of agreements with Provincial governments.

—Vote 30 ($442,999)—Funds are available due to delays in recruitment of qualified staff.

SECTION C

ONE DOLLAR ITEMS WHICH ARE LEGISLATIVE IN NATURE (20 ITEMS INCLUDING 5 ITEMS TO AUTHORIZE DELETION OF DEBTS DUE TO THE CROWN AND 6 ITEMS WHICH ALSO APPEAR IN SECTION A)

Agriculture

Vote L18b—To provide an extension to the vote working so as to authorize payments from the Race Track Supervision Revolving Fund to reimburse race associations for certain supervisory services provided by them under regulations set out in the Criminal Code.

Explanation—This extension is proposed to enable the Department of Agriculture through the Race Track Supervision Revolving Fund to reimburse race associations for certain services (saliva and urine testing) performed by them as required under the Criminal Code. While these services have been paid for since the establishment of the Fund, a recent legal opinion suggests that there is no obligation on the part of the Minister to do so. The existing Vote wording does not clearly provide authority for these payments to be charged to the Fund and as the Department wishes to continue to do so, a revised Vote wording is requested.

Finance

Vote 17b—To authorize the exclusion of the Canada Development Corporation from the provisions of Section 149(1)(d) of the Income Tax Act.

Explanation—This proposed legislative provision will make the Canadian Development Corporation liable for Income Tax in the same manner as corporations in the private sector.

Finance

Vote L22b—To authorize the amending of certain legislation which contains international gold value obligations in terms of U.S. currency.

Explanation—During the post-war years, it has become the practice in Canadian legislation dealing with Canada's membership in certain international financial institutions, to include a "maintenance of value" clause reference to the concept of a gold price fixed in terms of U.S. currency. With the recent undertaking by the U.S. to implement a devaluation of the U.S. dollar in terms of gold, relevant legislation must be amended to clarify the intent of the legislation as provided for in the International Agreements appended thereto and hence incorporated in Canadian law, and to provide for the continued fulfilment of Canada's international obligations in respect to the external value of the U.S. dollar. There is no substantive legislative revision involved.

Indian Affairs and Northern Development

Vote 5b—To authorize the deletion of certain debts due totalling $13,117.34.

Explanation—It is proposed to write-off the residual of a second mortgage of $5,176.73 issued by the Department pursuant to the Indian Off-Reserve Housing Regulations and to delete a loan relating to economic development made under the Indian Act of $7,940.61.

Industry, Trade and Commerce

Vote 10b—To authorize an extension to the vote wording so as to increase the commitment authority by $50,000,000 in the current and subsequent fiscal years to develop and maintain the technological capability of Canadian defence industry.

Explanation—It is proposed to increase the commitment authority from $150,000,000 to $200,000,000 for the current and subsequent fiscal years in order to pro-

vide for continued federal support of projects currently being planned.

Labour—Unemployment Insurance Commission

Vote 5b—To authorize an extension to the existing vote to provide transitional authority for the payment of the Government's contribution to the Unemployment Insurance Fund.

Explanation—When the new Unemployment Insurance Act was prepared a transitional authority was not included to authorize payment of the Government's contribution to the Unemployment Insurance Fund during the period June 27, 1971 to January 1, 1972. This proposed extension provides for the inclusion of that transitional authority.

National Defence

Vote 5b—(Also listed in Section A)—To authorize the write-off of certain claims totalling $18,620.71.

Explanation—It is proposed to write-off three claims each of which exceeds $5,000. These claims consist of two claims arising as the result of servicemen being involved in motor vehicle accidents and a third claim covering an uncollectable balance owing on the purchase by a serviceman of his release from the Forces.

National Revenue—Taxation

Vote 5b—To authorize the deletion of certain debts and claims totalling $5,775,305.66.

Explanation—It is proposed to delete certain debts, each of which is in excess of $5,000. Most of these debts have been designated as uncollectable because the individual is deceased with no assets, or corporations are bankrupt or without assets and further collection expense is not justified.

Privy Council

Vote 1b—To authorize an extension in the vote wordings so as to provide for the payment of the salary of a Minister of State other than a Minister who presides over a Ministry of State.

Explanation—The extension of the vote wording is proposed in order to permit the payment of the salary of the Honourable Patrick Mahoney who is a Minister of State without a Ministry and who has been appointed to work with the Minister of Finance on a continuing review of taxation.

Regional Economic Expansion

Vote 1b—To authorize the reimbursement of the Prairie Farm Rehabilitation Stores Working Capital Advance for the cost of inventory items which have become obsolete.

Explanation—It is proposed to reimburse the Working Capital Advance for the value of inventory items which have become obsolete, unserviceable, lost or destroyed, totalling $13,404. These stores have accumulated during the period 1965-66 to 1970-71.

Secretary of State—National Library

Vote 95b—To authorize an increase of $196,000 in the limit of payments to the National Library Purchase Account for the purpose of acquiring books.

Explanation—Authority is requested to increase the amount of money to be credited to the National Library Purchase Account to provide for the purchase of a collection of books during the current year.

Solicitor General—Correctional Services Program

Vote 5b—(Also listed in Section A)—To authorize the reimbursement of the Industrial and Stores Account Working Capital Advance for obsolete stores amounting to $19,717.23.

Explanation—It is proposed to reimburse the Working Capital Advance for the cost of stores, which have accumulated over the past four years, and which are now being declared surplus to requirements. These stores will be disposed of by the Crown Assets Disposal Corporation. This Advance Account purchases approximately $1 million in stores annually.

Transport—Atlantic Pilotage Authority

Vote 110b—(Also listed in Section A)—To authorize the payment of the deficit arising from operations during the period February 1 to March 31, 1972 for the Atlantic Pilotage Authority.

Explanation—Provision was not included in the Main Estimates since the pilotage authorities were not established by the legislation until February 1, 1972.

Transport—Great Lakes Pilotage Authority

Vote 115b—(Also listed in Section A)—To authorize the payment of the deficit arising from operations during the period February 1 to March 31, 1972 for the Great Lakes Pilotage Authority.

Explanation—Provision was not included in the Main Estimates since the Pilotage authorities were not established by the legislation until February 1, 1972.

Transport—Laurentian Pilotage Authority

Vote 120b—(Also listed in Section A)—To authorize the payment of the deficit arising from operations during the period February 1 to March 31, 1972 for the Laurentian Pilotage Authority.

Explanation—Provision was not included in the Main Estimates since the pilotage authorities were not established by the legislation until February 1, 1972.

Transport—Pacific Pilotage Authority

Vote 125b—(Also listed in Section A)—To authorize the payment of the deficit arising from operations during the period February 1 to March 31, 1972 for the Pacific Pilotage Authority.

Explanation—Provision was not included in the Main Estimates since the pilotage authorities were not established by the legislation until February 1, 1972.

Treasury Board

Vote 5b—To authorize the deletion of authority for a reserve to cover 1971-72 retroactive salary increases.

Explanation—Reserves were established in 1968-69, 1969-70, and 1970-71 through the transfer of the unexpended balances from Treasury Board Vote 5. It is now proposed instead to provide for retroactive pay increases for 1971-72 and subsequent years from Treasury Board Vote 5 in use at the time of payment of the retroactive salaries.

Treasury Board

Vote 12b—To authorize the inclusion of employees of the Canadian Wheat Board under the Public Service Superannuation Act.

Explanation—It is proposed to amend the Act establishing the Canadian Wheat Board so as to permit Board employees to be covered under the Public Service Superannuation Act, Schedule A, instead of the pension plan of the Board. It is contemplated that the Public Service Plan will assume the liabilities of the Wheat Board Pension Plan and absorb its assets.

Veterans Affairs

Vote 5b—To authorize the deletion of certain debts amounting to $41,903.30.

Explanation—Authority is requested to delete from the accounts 7 debts due to overpayment of War Veterans Allowances. These debts are considered uncollectable since the debtors have died leaving no known estates.

Veterans Affairs

Vote 25b—To authorize the deletion of certain debts totalling $16,770.76.

Explanation—To authorize the deletion of 2 debts due as a result of overpayments of pensions. These debts are considered uncollectable since the debtors have died leaving no known estates.

THE SENATE

Monday, March 27, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATOR HARRY A. WILLIS

TRIBUTES

Hon. Jacques Flynn: Honourable senators, it was with a sense of personal loss that I attended in Toronto this afternoon the funeral of Senator Harry A. Willis whose sudden death last Thursday was such a shock to those of us who had seen him in the chamber last week looking healthier than he had for quite some time.

We all know that organizations are required to market political theories, and the setting up of such organizations depends upon men with exceptional administrative ability. Such a man was Harry Willis. Devoted to a political ideal, dedicated to a political party, he laboured tirelessly at those thankless tasks which must be carried out efficiently and with discretion if political parties are to survive.

Harry Willis was a man of exceptional ability, and incomparable political savvy.

The Progressive Conservative party loses an organizer par excellence. In spite of his recent serious illness he was looking forward to the coming campaign like a prize fighter looks forward to his next match. Men like Senator Willis are not easily replaced. He was a fine businessman and lawyer, and his contributions to this chamber, if recently limited by his poor health, remain of significant merit.

With Senator Willis' passing we lose a remarkable gentleman, an asset to this institution and a credit to his party. He will be sorely missed. His charming wife loses a dear companion and his daughters a lovable father. To them and to all members of his family in their hour of grief we offer our most heartfelt condolences.

Hon. Paul Martin: Honourable senators, I join with the Leader of the Opposition in paying tribute to Senator Willis who, as Senator Flynn has pointed out, was with us all last week. As a matter of fact, I recall having a talk with him as I entered the chamber last Thursday when he was sitting on the bench in the ante-chamber with one of our other colleagues.

Senator Willis was a contemporary of mine at the Osgoode Hall Law School. I knew him, therefore, for a long period. I can attest to his generosity, his friendliness, and his great kindness. I am sure that many of us know of many instances in which he displayed his desire to help others in need. This quality is one I recognized in him during our student days.

• (2010)

Senator Willis was born in 1904 at Belfountain in the Province of Ontario. He was educated at the public school in that community, and at the Brampton and Erin High Schools. He was a graduate of McMaster University and, as I said, of Osgoode Hall. He was called to the Bar in June 1929, and became Queen's Counsel in 1948. He was summoned to the Senate on June 15, 1962. I know from observations that he made to me from time to time that he greatly valued his membership of this house.

As Senator Flynn has pointed out, he was a happy political warrior. He had great faith in the political party of his choice. He served it with energy and conviction, a quality which is very essential if our political system is to carry on with the endurance that we want to see it possess.

We are all losers for his passing. To his wife and to the members of his family, on behalf of certainly those of us on this side of the house, I extend my deepest sympathy and our sincere condolences.

Hon. L. P. Beaubien: Honourable senators, Senator Willis was my deskmate for the last eight years or so. I liked him a great deal; I admired him; I respected his judgment. I am going to miss him. I should like to extend to his very charming wife and his daughters my sincere sympathy.

APPROPRIATION BILL NO. 1, 1972

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-175, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1972.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Donald Smith: Honourable senators, with leave of the Senate, I move that this bill be read the second time later this day.

Motion agreed to.

APPROPRIATION BILL NO. 2, 1972

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-176, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Donald Smith: Honourable senators, with leave of the Senate, I move that this bill be read the second time later this day.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Central Mortage and Housing Corporation, together with a statement of its accounts certified by the Auditors, for the year ended December 31, 1971, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, chapter C-16, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Evaluation Task Force established by the Department of the Secretary of State to assess Opportunities for Youth and other related activites of the Department's summer programmes, dated February 1972, together with a statement on the Opportunities for Youth Program by the Secretary of State.

BRITISH NEGATIVE INCOME TAX

QUESTION OF PRIVILEGE

Hon. David A. Croll: Honourable senators, I rise on a question of privilege. I wish to refer to an article in the New York *Times* for Sunday, March 26, 1972, which makes reference to the budget presented in the British House of Commons on Tuesday, March 21. It reads in part as follows:

> For two hours and 10 minutes the Chancellor of the Exchequer, Anthony Barber, stood before the packed and expectant House of Commons last Tuesday, reading from sheafs of paper he drew out of a battered dispatch box. Toward the close of his speech he drew gasps of surprise, cheers and shouts of "Hear! Hear!".
>
> Mr. Barber proposes a negative income tax as a substitute for the many kinds of welfare payments now being paid. This would be joined to the withholding tax system, making it possible for a Government computer to spew out income to the poor and tax bills to the rest of the people at a saving of 15,000 civil servants.
>
> Although the tax plan incorporates many measures the Conservatives would have condemned as socialistic a few years ago—among them a guaranteed income for all, which is what the negative income tax would provide—it remains true to Tory doctrine in that it lets the people spend more of their money and the Government less.

I feel I am fully warranted in drawing this article to the attention of all honourable senators, since this aspect of the British budget—which the Chancellor of the Exchequer says is the biggest reform in the last 25 years—has not yet appeared in our Canadian press. It has been completely ignored.

HON. FREDERICK WILLIAM ROWE

FELICITATIONS ON ELECTION OF SONS TO NEWFOUNDLAND LEGISLATURE

Hon. Donald Smith: Honourable senators, I also rise on a point of privilege, to make reference to a new-found friend of the last few months, the honourable Senator Fred Rowe. We missed him around here in the last week or so and some of us were puzzled. We found he was back in Newfoundland fighting a war. I think it is fair to say he lost the war but won two very important battles. I understand he now holds a record of being the father of two sons elected at the same time to a provincial legislature.

Hon. Mr. Choquette: What party?

Hon. Mr. Flynn: There was a novel in Quebec entitled *One Lost, Two Found.*

• (2020)

INCOME TAX ACT

BILL TO AMEND—SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill C-169, to amend the Income Tax Act.

He said: Honourable senators, in substance Bill C-169 has been around for quite a while. In October of 1971 the then Minister of Finance made a statement in which he announced a 7 per cent reduction in corporate taxes for the period from July 1, 1971, to December 31, 1972, and a 3 per cent reduction in individual income tax for the period from July 1, 1971, to December 31, 1972. Then, on December 23 last year the Senate passed Bill C-275 which dealt with the 1971 portion of this announcement, or pronouncement, to which I have referred made by the Minister of Finance. There was a reason for dealing with it in that form. In 1971, until Bill C-259 was enacted, the law which was in force was the continuing Income Tax Act as we knew it and, therefore, the bill had to be drawn in a form that would conform to the provisions of that bill, and, since the 1972 application of this pronouncement of the minister would affect provisions in the proposed Bill C-259, that would have to await the enactment of Bill C-259. So we have this division.

The first part of it, Bill C-275, has, of course, received royal assent. This bill now deals with the 1971-72, 1972-73 periods in relation to corporation taxes and the 1972 period, the calendar year, in relation to individual income taxes.

Undoubtedly, the comment will be made that Bill C-169 is in a form we are not accustomed to. As a matter of fact, although it deals with an awful lot of money, it is a very thin-looking volume. I suppose we can infer from that that when you are reducing taxes you can do so using few words, whereas, when you are imposing taxes, it takes many words. It takes many words to cover all aspects of an income tax act, whether you are imposing additional burdens or removing them.

At any rate, Bill C-169 is a rather thin bit of paper which we have to consider. It provides substantial tax reductions, some of which have already been enjoyed. I can tell you, for instance, that for corporate taxes the effect for 1971-72 will be a loss in federal revenue of about $160 million and, for 1972-73, it will be a loss of approximately $175 million.

Hon. Mr. Flynn: Before we lose the humour of your comments about the thinness of Bill C-169, do I understand that a bill such as the one we had last session, comprising over 700 pages, was designed in practice to increase the taxes?

Hon. Mr. Croll: That is what he said.

Hon. Mr. Hayden: If my friend wants to conclude that from what I said, I suppose he could find many precedents. He could go back through every taxation bill we have ever had and he would find that they have all been rather thick tomes or volumes, for the simple reason that when you are imposing taxes the transactions and circumstances are different. There are different political approaches to different questions. A bill is bound to reflect all these things. Therefore, I say that of necessity a taxing bill has to be more extensive and use up more paper, and, comparatively, perhaps that is the inference that should be drawn or the suggestion that should be made to the government. Why waste paper? Surely the simple way is the best way. Just keep on reducing taxes, now that we have become accustomed to what happened last year and this year.

However, honourable senators, to get back to the serious side of this, it is not my intention at this time to do more than simply underline the fact that very substantial amounts of money have been, shall we say, let loose in the economy as a result of the reduction in corporate and individual tax rates. This will help to bolster the economy and to move it along. There are many people who have spoken favourably of this intent, and, if I remember correctly, on second reading of Bill C-275 in this house I read from the remarks, as I always do, made by my dear friend Senator Grosart. We commented on the value of this type of tax reduction and the encouragement which it would have, more particularly so far as individuals are concerned, in the cumulative effect. I put it that way, honourable senators, because so far as some individuals are concerned the dollar amount that they would gain from the application of this 3 per cent reduction in individual rates of income tax would be very, very nominal, but the sum total of the amount of money let loose in the economy would have substantial purchasing power and would result in some enhancement of the economy.

Hon. Mr. Connolly: Would the honourable senator permit a question at this stage? He started by mentioning the benefits that corporate activity would derive from the provisions of this bill for 1971-72 and for 1972-73. He was then about to give us the amounts of personal benefits when a question was asked which interrupted him. I wonder if he could now give us that figure.

Hon. Mr. Hayden: The personal amounts involved in the first year, that is in the period covered by Bill C-275, was $125 million, and in the fiscal year 1972-73 it would amount to $225 million. So, you can see that we are dealing with very substantial sums of money.

If I might just deal now with one more matter and then I shall get down to the business of the meeting. The bill itself is a simple bill containing six clauses. Although normally the purpose of second reading is to deal with the principle of a bill, I suppose I can deal now with the six clauses because the principle of this bill is simply tax reduction and all the clauses have some bearing on that one point.

Clause 1 of the bill deals with the 3 per cent reduction in personal or individual income tax rates. Clause 2 deals with the 7 per cent reduction in corporate taxes.

Clauses 3 and 4 are of what one might call a consequential nature, consequential because of things that we have in the present law based on Bill C-259 which was passed at the end of last year. However, I do not think that that is a good and sufficient reason for me simply to say that these are consequential. I should tell you what they do and why it is necessary to have them there.

Clauses 5 and 6 are transitional in nature and are inserted for the purpose of making the transition easier, technically and legally, from 1971 when there was a different statute called the Income Tax Act. These transitional provisions are felt to be necessary in order to overlap certain periods. For example, a company might begin its fiscal period some time in 1971 and end it some time during 1972. In order to work in the combinations of laws which are applicable in the years 1971 and 1972, and receive the full benefit of the 1972 law, some transitional provisions are needed.

• (2030)

I should like now to go back and deal with the personal income tax reduction of 3 per cent. Clause 1 of the bill deals with subsection 3 of section 120 of the present Income Tax Act, and adds a new subsection which simply says:

> There may be deducted from the tax otherwise payable under this Part by an individual for the 1972 taxation year an amount equal to 3% of the aggregate of
>
> (a) the tax otherwise payable under this Part by the individual for the year—

What this means is that you have rates of tax outlined in this bill, which is the present law, ranging from 72 to 76 per cent, and ranging from 50 per cent down to 46 or 47 per cent. Those are the rates in respect of which this reduction would be applicable. But there is also added by paragraph (b):

> —any amount added to the tax otherwise payable under this Part by the individual for the year pursuant to subsection (1).

Subsection (1) of section 120 of the present Income Tax Act imposes a 30 per cent tax on income not earned in the province. The sum total of the amount on which you calculate the 3 per cent would be 40 per cent, if the personal rate were 40 per cent, and the 30 per cent which is applicable by virtue of subsection (1) of section 120.

Ontario has given way on that 30 per cent tax. So a person in Ontario would have a reduction of 3 per cent of whatever his federal rate was under the act. In some other province which has not given way on the 30 per cent, the 3 per cent would be figured on the aggregate of the 30 per cent and his own marginal rate.

The overall tax will not reduce the provincial tax because for purposes of the latter the rate to which the province is entitled will be calculated on the tax otherwise payable, without any reference to and without any inclusion of this other item. Therefore the provinces, except Ontario which has given up the right to this, will receive their measure of provincial tax calculated entirely on the marginal rate of tax of the particular person in relation to the rate of provincial tax, which the federal authority will collect. This is the simple part of it, which is easy to

calculate. There are no complexities by reason of the provisions of Bill C-259 of the last session.

Certain points are not included in making the 3 per cent reduction. For instance, the 3 per cent is calculated by reference to the rate schedule, section 123 of the present Income Tax Act, and after deduction of any dividend tax credits. Therefore, before the marginal rate is arrived at, if there are any dividend tax credits, the income is reduced to the taxable income by deduction of that amount. It is also calculated before deducting any amount in respect of foreign taxes or the credit for provincial logging taxes. I have no explanation for the inclusion of this, except that in committee much discussion took place regarding logging taxes and perhaps some of it seeped through. However, since this bill will be referred to committee we can satisfy our curiosity by asking why this particular provision is included. I have nothing more to add to that.

The corporate tax reduction is 7 per cent. The method by which this is calculated is that it is the net of the rate provided by section 123, which is the 50 per cent rate, going down to 46 per cent in five years. It also involves the electricity and steam provision, which provides for a corporate rate of 48 per cent. The calculation of corporate tax reduction begins with the general corporate rate, or the special rate of 48 per cent provided by section 143 of the act. Before the tax is applied the small business deduction under which the basic tax rate can be reduced to 25 per cent is subtracted. It is also minus the basic tax rate. The deduction is subject to a reduction provided under section 130, which reduces the basic tax rate on investment corporations to 25 per cent.

Subject to those deductions the calculation is commenced with either the general rate or the 48 per cent rate on electricity and steam generation, et cetera, from which follows the calculation under which the allowable deductions are made. In doing this, you have to arrive at whatever is the net corporate rate. I wish I could say that by inserting a period one has gone the full distance and has reached a determination. But that is not so, because one then comes to clause 3, which deals with the refundable tax to a private corporation on its investment income, to reflect the 7 per cent reduction in the corporate rate.

• (2040)

As honourable senators know, private corporations, as defined in section 89(1)(f) of the Income Tax Act, pay only an effective tax rate of 25 per cent on their investment income.

This is accomplished by having them pay their basic rate of 50 per cent, which is the amount they are obligated to pay under the law. Then, when they distribute their investment to their shareholders, they are entitled to a credit of 25 per cent. It was thought that since the basic corporate tax under section 123, which is the top rate of 50 per cent, is being reduced by 7 per cent, the tax refundable portion under section 129 should also be reduced by the same percentage. Thus, clause 3 amends section 129 by adding the following subsection (5)(a):

> In respect of its 1972 taxation year, 93% of the least of the amounts so determined;

The 93 per cent reflects the refundable tax reduction benefit which is given from the general corporate rate by the 7 per cent reduction.

The same thing happens in relation to clause 4, which deals with refundable taxes on capital gains. The clause reduces the tax refundable to a mutual fund corporation or an investment corporation on its capital gains, to reflect the reduction in its corporate tax rate.

You start with your general corporate tax rate of 50 per cent, and, to the extent that you have refundable, the refundable must not have undue benefit, as it would have if you did not reduce the refundable in relation to the reduction that you are making in the general corporate rate. Where the capital gains tax rate is only half the corporate rate, then, of course, the capital gains tax rate is affected accordingly and that part of the refundable has to be reduced.

In clause 4, the figure used in determining the amount of tax as a result of the reduction proposed by this bill is 91.25 per cent of that portion of the amount so determined. The bill then goes on to spell out how that calculation is made. The 91.25 per cent bears the same relationship to capital gains applying to investment companies and mutual fund corporations as does the 93 per cent in respect of investment income of private investment companies. The formula by which they have arrived at the 91.25 per cent is one which I have examined a number of times and have attempted to analyze. Frankly, after all my attempts, I still would not be able to give a very good lecture on how the figure is arrived at.

I can tell you what the principle is, and I can say that it should be in that area or close to it, but in my calculations I could not hit on 91.25 per cent. However, I am sure that the mathematicians from the Department of Finance who will appear before the committee tomorrow will have the answer. In the meantime, anyone wishing to enlighten himself might start with this book by Clarkson Gordon & Co. entitled *Tomorrow's Taxes. An Analysis of 1971 Tax Reform Legislation as contained in Bill C-259.*

At page 137 there is an example entitled "Illustration of the conduit principle for open-end mutual funds qualifying as investment Corporations and for closed-end investment Corporations." That sounds terrifying, and honourable senators might wish to have the assistance of a person experienced not only in corporation law but also in accountancy and possibly in mutual fund practices. However, when we read the headings under which the allocation is made, they become quite intelligible. But even with all this help, I could not get my own calculation down to 91.25 per cent, and I will not confuse honourable members by explaining how that figure is arrived at. I merely say that is the figure which has been inserted in this particular clause, just as the figure of 50 per cent, the general corporate tax rate, has been inserted in another clause.

I doubt whether anyone has seriously asked the question, "Why is it 50 per cent?" One might with more sense ask why it is 91.25 per cent rather than why the general corporate rate is 50 per cent. Possibly the answer is that we need the money, and that is about all we dare take. No doubt that would be the classic answer.

If honourable senators are puzzled by the figure of 91.25 per cent in clause 4, there is nothing more that I can say about it at this time. I expect to be enlightened tomorrow in committee, and find out where my mathematics went astray. I am sure that somewhere along the line I got lost.

The final two clauses are simply transitional. They amend the Income Tax Application Rules, 1971, which are part of Bill C-259. The explanation given is that clauses 5 and 6 are intended to modify paragraph 51 of the Income Tax Application Rules, 1971, so that the 7 per cent tax reduction will properly apply to a 1972 taxation year that began before July, 1971.

• (2050)

Section 51 provides a general rule for computing a corporation's tax payable for the 1972 taxation year where that taxation year falls partly in 1971 and partly in 1972. Clause 6 repeats what is in clause 5 except that it relates to co-operatives where part of the corporate taxation year falls in 1972 and the other part in 1971.

Technically, of course, you could not reflect under the Income Tax Act as it existed in 1971, or under the Income Tax Act as it now exists, a continuity which is most desirable to carry through from 1972 and back to 1971 without this transitional authority. That is the purpose of it, and it is in line with the pronouncement the minister made.

I hope I have not piled confusion on confusion, but the intent of the bill is a good one. I think we should erect a shrine and designate it "Tax Reduction." Perhaps if we all bow in acknowledgment every day, who knows, the process of giving more money and encouragement for spending might ultimately solve some of our problems. It might create other problems, of course. I remember a senator who used to stand in the place where I am standing, Senator Crerar, who used to preach his faith in the old doctrine of saving and being frugal, making your own way, and not wasting your assets and your heritage, but those were other times with other customs. If it is money that makes the economy roll, then one way of putting the money into circulation is by leaving more of it in the hands of the people, consistent always with the needs for government spending in the field of welfare and other allied fields.

Hon. Mr. Macdonald: I wonder if I might ask the honourable senator a question? Is there anything in the bill which would prevent a province from raising their income tax which would, in turn, be collected by the federal government?

Hon. Mr. Hayden: No.

Hon. Mr. Martin: No, nor is there anything to prevent a province from dropping its income tax.

Hon. Mr. Connolly: May I ask the honourable senator a question before anyone else speaks at length on the bill? Speaking only about corporate taxes, the bill is designed, as I understand it, to reduce the rate of corporate tax for the taxation year 1972 or 1973, as the case may be, by 7 per cent.

Under the present act the rate of corporate tax, I understood the honourable senator to say, is 50 per cent. With a 7 per cent reduction, does the rate then become, by this bill, 43 per cent? This is what bothers me, and perhaps this is a question for the committee. Earlier in his remarks, the honourable senator said that under section 123 the intent of the legislation is that the corporate rate over a period of five years would be reduced from 50 per cent to 46 per cent. However, by this bill it seems, on superficial inspection, that the corporate rate is going from 50 per cent to 43 per cent. Is there a correlation between these two?

Hon. Mr. Hayden: I do not see any difficulty. This was an announcement which the Minister of Finance made for a special purpose: To put more money into the hands of people and corporations so as to stimulate or give more life to the economy. It is entirely unrelated to the rate schedule which appears in section 123 of the statute, and that rate schedule for 1972 is 50 per cent. This bill ends on December 31, 1972. It has no application after that date. After December 31, 1972, we go back to the provisions of section 123 for 1973, unless, of course, this particular measure receives such wonderful support and the input in dollars by way of taxes by reason of the tremendous increase in the volume of business is such that the government can afford further tax reductions.

I do not see anything inconsistent. One is a special measure to deal with a special situation.

Hon. L. P. Beaubien: Honourable senators, I have often noticed that when Senator Hayden explains a big fat bill he does not leave any new points for other senators to discuss, and the same thing is true when he explains a little skinny bill, as he has this evening. I should like to say, however, that the bill would be much better if it provided a reduction for the next ten years instead of just for this year. Apart from that I must say I am in favour of the bill.

Hon. Mr. Hayden: You mean 7 per cent a year?

Hon. Mr. Beaubien: Well, you can compound it, if you like.

Hon. Mr. Connolly: Why not?

Hon. Mr. Beaubien: In any event, as I have a captive audience, with your indulgence I should like to stray somewhat from the bill in discussing the question of corporate tax.

There has been a good deal of talk over the last few years by some smart politicians, professors, and economists of every kind and description about labour-intensive industries and extractive industries. It has been said that the privileges or tax advantages granted to our extractive industries have been too many and that they should be reduced, while at the same time giving secondary manufacturing more encouragement. I quite agree with giving secondary manufacturing more encouragement, but we are not in the same position as West Germany where they have imported two or three million Italians and Spaniards because they themselves do not have a sufficient main-d'œuvre or work force. We, of course, have a good many unemployed. In other words, there is no conflict; the mining industry is not taking away from secondary manufacturing. There is no conflict because the secondary industries are located in big cities where it is easy to attract workers, and the mines are located in the wilderness.

I disagree very much with the findings of a good many of these people. I claim that if you want to find out how much employment any industry produces you simply have to look at the wealth it produces. If you look at an extractive industry and how its money is spent every year then, bearing in mind there is no conceivable way in which it can be spent without producing wages somewhere, you can see right away the amount of employment produced.

To prove my point I should like to give you a thumbnail sketch of the life and worth of the iron ore industry. About 1938, the late Jules A. Timmins hired the late Joseph A. Retty, who was probably our most outstanding geologist. He sent him in to what is now Seven Islands, Schefferville, Labrador. Of course, he had to be flown in by Hartland Molson. Hartland Molson flew in Dr. Retty and all his supplies. A couple of years before, Hartland Molson had formed what he called the Dominion Skyways, or the Newfoundland Skyways. If they landed on a lake on skis, on pontoons, and it happened to be in Newfoundland it was known as Newfoundland Skyways; if it was in Quebec it was the Dominion Skyways.

• (2100)

Jules R. Timmins hoped they were going to find a lot of copper, maybe lead and zinc, and things like that. They knew there was a tremendous amount of iron ore. However, Dr. Retty found so much iron ore, and he was so good at selling his point of view to Jules R. Timmins, that Mr. Timmins got hold of George W. Humphrey, who was then the President of The Hanna Mining Company. Between them they raised over half a million dollars to build a railway in and start it.

Honourable senators, after 20 years this is what we have. Seven Islands has a population of 22,000; Labrador City, 8,500; Schefferville, 4,200, and Wabush 3,150. That makes a total of 37,850. If you throw in a couple of thousand for those who do not live within the limits of these little towns you have a population of 40,000 people.

Hon. Mr. Connolly (Ottawa West): Is that without Seven Islands?

Hon. Mr. Beaubien: I said Seven Islands had a population of 22,000. This gives a total population of 40,000 people. On page 10 of the 1971 edition of the Taxation Statistics you will find that the average tax paid by the residents of Seven Islands is just a little above what is paid in Montreal, a little bit under what is paid in Ontario, and for the whole of Canada it lists twelfth.

The iron ore company employs 4,800 people. The Wabush mines employ about 1,700. That gives a total of 6,500. There is no unemployment. The iron ore company pays an average salary of just over $11,000 a year. That is their average. Here is an industry that produces $400 million worth of new wealth a year.

We often hear it said that these industries pay out their dividends and go away. Right now the iron ore company is spending $300 million increasing its pelletizing operation, and that is the second big expansion in the last 25 years. That $300 million will take care of an awful lot of dividends that they might have paid out. If instead of using giant steam shovels and other heavy equipment people used picks and shovels to dig out this iron ore, they would certainly find iron ore but it would cost twice as much, and instead of averaging $11,000 a year the people would be getting by on a couple of hundred dollars a month.

To my mind there is only one way in which to judge the benefit of an industry to the country, and that is to see how much it produces in new wealth. For every dollar of new wealth you can say there is between 90 cents and 95 cents in salaries paid out a year by this enterprise.

Honourable senators, I will vote for the bill, and I suggest that you all do the same and send it to committee.

Hon. John J. Connolly: Honourable senators, I do not propose to discuss the principle of the bill other than to commend the government for reducing taxes to the extent that this bill does so for one year. However, I do want to comment for a few moments on a remark that Senator Beaubien made. He referred to Dr. Joseph Retty. Joseph Retty was a classmate of mine and of Senator Choquette's at the University of Ottawa. He graduated there in 1926, as I recall it. He was a very clever student. I remember him, too, as a very good debater. I think in all of his years at the university he led his class, and was always far ahead of the next man.

Joseph Retty came from a small town in the Ottawa valley called Fort Coulonge. When he graduated from the University of Ottawa, where he had taken, along with us, a rather general course in geology, he proceeded on a scholarship to Princeton University. He had worked during the summertime for a number of years on the Canadian Geological Survey. There he met a man who has made a great impact upon the mining life of this country, Dr. William James. Dr. James encouraged Joe Retty very much in his graduate work in geology, at Princeton, and from there he went on.

I remember riding in a plane with Joe Retty coming from the west. It was probably during the war, because I remember that it was a very long flight. He told me about Jules Timmins and the commission he had from him—I think Bill James was probably involved in it too—to go and do some geological work in Labrador and part of Quebec. I did not know that Senator Molson had flown him in. What he found there, of course, was so great that when he came out people did not believe him. It was fantastic. There have been other fantastic iron ore deposits found in the world since, but I think that was the first really great one.

I am particularly pleased to have heard mention made tonight in the Senate by Senator Beaubien of the very significant role played by Dr. Joseph Retty in the discovery of that tremendous ore deposit, which has brought so much benefit to that part of Canada, and indeed, to all of Canada.

Hon. Eric Cook: Honourable senators, I should just like to add a personal note, and to confirm what Senator Beaubien has said. I think I had something to do with the Labrador Mining and Exploration Company even before Mr. Jules Timmins arrived on the scene, because in 1935, as a young lawyer acting for a Montreal group, I was an incorporator of the Labrador Mining and Exploration Company. That was started by Weaver Minerals Limited,

who knew that the presence of iron ore was discovered by a Mr. MacKay, a Canadian geologist, way back in 1898.

• (2110)

So the presence of iron ore was well known, but it was the exhaustion of the Mesabi range as a result of the last war which made it feasible. By this time, Mr. Jules Timmins had taken over the Labrador mines and had searched for other mines, but it was the exhaustion of the other range in the United States, as a result of the inroads made during the last war, which made the construction of the railway from the coast to the iron ore deposits feasible.

Hon. Mr. Hayden: And the St. Lawrence Seaway.

Hon. Mr. Cook: And the St. Lawrence Seaway.

I would make one further observation. As far as I know, not one cent of either federal or provincial money was expended on this development. Every single cent spent came from private capital. The government might have paid the expenses of a few Mounties but, outside of that, all the schools, roads, hospitals, and everything there, was built by private capital, and not one cent of government money, either provincial or federal, was put into it.

Hon. Fred. W. Rowe: Honourable senators, I had not intended to make any comments on this particular matter, but inasmuch as Senator Cook and myself and many other people took a great interest in this development in Labrador, I think there are one or two points that could be considered relevant at this time.

I should like to confirm what my friend, Senator Cook, has said regarding the development of the iron ore in western Labrador. I happened to be the Minister of Mines and Resources at the time that this great development got under way in the early 1950s, and indeed had the great honour of being able to participate in the actual opening or completion of one of the developments along with, on one occasion, the then Prime Minister of Canada, the Right Honourable Louis St. Laurent, and the then Secretary of the Treasury of the United States, Mr. George Humphrey, who was one of the leading promoters of that great enterprise in western Labrador. Incidentally, that enterprise is one about which very little is known. I often ask why it is that so little has been said in the world press, in the public media generally, about this tremendous development in Labrador. There were two iron ore developments. One was in Schefferville and the other, which came later, was in what is now Labrador City and the important city of Wabash.

Then there is the single greatest hydro-electric scheme in the history of the world, the one nearing completion, near Churchill, where $1 billion is being spent in one site which you could almost shoot a .22 rifle across. That single development, the largest in the history of the world, will mean almost 7 million horsepower developed in one area.

It is true, as Senator Cook has said, that this was done wholly without any government funds. In fact, the only government help there was in one development in which I happened to play some role. That was in respect of what is now Labrador City and the City of Wabash.

Perhaps I should remind honourable senators that there are two distinct iron ore developments in Labrador, one in what one might call the far north, the northwestern corner of Newfoundland Labrador, and spilling over into Quebec Labrador, the one at Schefferville. Then, considerably south of that, there is the distinct area where two major developments took place—one under the Iron Ore Company of Canada which of course was part of the Hanna interests of Cleveland, and the other one at the City of Wabash, only five miles away, again with those other major United States steel companies which had not been part of the Iron Ore Company at all.

There is one other point which I might make and I am very happy to make it. This Wabash development was done under the leadership and because of the vision of John Doyle. Without John Doyle's enterprise in western Labrador, there would tonight be no Labrador City, no City of Wabash, and no iron ore development—the single biggest iron ore development in the history of the world. However, it is there.

There is one other point I want to make, and I say this as one who was connected with it. As the house knows, I am entirely of British descent. My ancestors as it happened were English from Devon and Somerset. I am also one who considers himself a good Canadian, and am very proud to be named a Canadian. I wish to say this now, that if we had to wait until Canadian capital had developed the iron ore deposits of western Labrador, the greatest deposits in the world, and the other great iron ore developments in the north, and also the new hydro development at Churchill, we would be waiting from now until infinity. It was American capital that did it, and when I hear people being what in effect amounts to anti-American on this matter of American financing, I am reminded of the fact that at this moment there are tens of thousands of people in Newfoundland and Quebec enjoying one of the highest standards of living in all of Canada from these great enterprises brought about almost entirely by American capital. I know the important roles that my friend Mr. Jules Timmins and other Canadians played in that, but I also know that without American capital we would not have had this huge iron ore development and the great Churchill development. It was American capital that did it, and I think we should keep that in mind when we are inclined to be a little bit ultra-Canadian on this matter of capital investment in this country.

Hon. Mr. Cook: I wonder if my honourable friend would mind if I make a suggestion? Is it not true also that the Steel Company of Canada has played a major part? While I agree with Senator Rowe that American capital played a great part, I ask him if it is not also true that in the Wabash development the Steel Company of Canada played a major part?

Hon. Mr. Rowe: Honourable senators, that is true. Certainly Stelco was one of the prime movers. I can only add one thing, which I mentioned at the beginning of my remarks and then I sidetracked myself. Senator Cook said that there was no government participation, or at least very little. As to this, the only government participation there was, I think we should note, occurred when these American interests, who wished to develop what is now the great Wabash area, came to us with Mr. John Doyle.

Hon. Mr. Forsey: That sacred name.

Hon. Mr. Rowe: They came to us and said that a condition of their going ahead with this development was that we would guarantee the cost of the additional railway that would be needed from the main line of the Iron Ore Company to what is now the City of Wabash and Labrador City. We did that. In my recollection, the Government of Newfoundland guaranteed the financing of the railway, and there was a tremendous opposition to that. In fact, a petition was taken up and signed by thousands of people protesting it, but still we went ahead and guaranteed it. My recollection may not be as good as that of others, but I think it was $22 million that we guaranteed for the building of that railway. Without that guarantee, and, of course, without the railway, there could have been no development of what is now Labrador City and the City of Wabash. So to that extent there was government participation.

I might say that it did not cost the Government of Newfoundland one five-cent piece, because the whole matter was subsequently financed by private capital, most of it American.

• (2120)

Hon. Mr. Manning: Honourable senators, if I may I should like to ask Senator Hayden for a further clarification of his comments on clause 2. This point also arose from a question Senator Connolly asked. I understood him to imply that the effect of this clause would be to reduce the rate of corporation tax by 7 percentage points to 43 per cent from 50 per cent. If I read it correctly, it provides a reduction of 7 per cent of the tax payable by a corporation on the 50 per cent rate, which is a very different matter from 7 percentage points, which would reduce the taxation from 50 per cent to 43 per cent. I do not believe that is the import of section 123 as it is contained in clause 2 of the bill. As I understand it, that section merely provides for the reduction in an amount of 7 per cent of the tax payable on the 50 per cent rate.

Hon. Mr. Hayden: That is right.

Hon. Mr. Manning: Which is a different thing altogether from a reduction of 7 per cent from 50 per cent to 43 per cent.

Hon. Mr. Hayden: That is correct. The 7 per cent reduction is a reduction in the amount of the tax otherwise payable. That is the language in the section.

Hon. Mr. Manning: Thank you.

Hon. Eugene A. Forsey: Honourable senators, the first point I wanted to make, in relation to the digression, if I may call it so, in which several senators indulged on how the Iron Ore Company of Canada and other companies developed the deposits in Labrador, is that we heard a tremendous paean of praise of the philanthropists who undertook these developments. We were told that the government contributed nothing, or very nearly nothing, apart from the guarantee mentioned by Senator Rowe. But I should have thought, from the little that I know about this, that the indirect contributions of the government, in precisely the fashion which Senator Beaubien referred to, namely, tax concessions and that sort of thing, might have been rather considerable.

I should also be interested to know whether the governments of Quebec and Newfoundland made any indirect contributions in the way of not exacting too extortionate royalties from the companies concerned. I am not suggesting that this may not have been good policy. I merely think that perhaps the eulogies of unrestricted, unsubsidized private enterprise have been slightly overdone.

The second point I wanted to make was the very one that Senator Manning raised in his question. It seemed to me that the 7 per cent was 7 per cent of the amount that otherwise would have been paid. In other words, therefore, if my arithmetic is not too far off, it would have amounted to a reduction for the year from 50 per cent to about 46½ per cent or something of that sort, rather than 43 per cent. I was rather surprised when Senator Connolly raised the question he did. However, that has been dealt with.

The last thing I wanted to say was that I hope that when this bill goes to committee someone will at least try to move there the amendment to clause 1 which was moved in the other place by Mr. Broadbent, the member for Oshawa-Whitby, namely, that clause 1 be amended by changing the phrase "3 per cent" in line 11 to "6 per cent", and by changing the period at the end of line 19 to a comma and adding immediately thereafter the following words, "or $60, whichever is the lesser". That is the amendment which, in committee in the other place, I think secured the support not only of the New Democratic Party members present but also, if my reading of his remarks is right, the support of the financial critic of the Official Opposition in the other place, Mr. Marcel Lambert.

I hope very much that that particular amendment and the arguments by which it was supported by both of those honourable gentlemen may receive some consideration in the committee. I am aware that a point of order may arise there just as it arose last year on the Old Age Pensions bill when some members tried to move an amendment. But I hope that the matter will at least be considered, because I think there are strong arguments for making this reduction in tax for private individuals more beneficial to the small people and less beneficial to people with incomes like mine and up.

Hon. Mr. Hayden: Honourable senators—

The Hon. the Speaker: I would remind honourable senators that, if honourable Senator Hayden speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Hayden: Honourable senators, I just wanted to add one point. I was rather puzzled by the figure 91.25 per cent and how it was arrived at. However Senator Bourget, with his slide rule and his mental mathematical agility, and I, with one or two things I was able to say, were able to work this out and we have concluded that the figure is correct. Once you arrive at the basic tax on capital gains on mutual corporations and investment companies of 25 per cent, you immediately deduct the 10 per cent abatement for provincial tax, which brings you down to 20 per cent. You then figure 7 per cent on the 20 per cent, which gives you 1.75 per cent as being the tax reduction on a 20 per cent rate. Then, if you want to relate that to 100, you

multiply by 5. The effective tax rate is 20 less 1.75, which is 18.25, and 18.25 times 5 is 91.25.

So what appeared mysterious before has now been resolved by a simple calculation that perhaps should have been done earlier. What I said about difficulties I now withdraw. It really is a simple calculation once you get on the right footing with your facts and establish your basic tax rate. The first way in which you might go astray would be by not deducting the provincial abatement of 10 per cent from the basic rate of 25 per cent. Once you do that you are well on the way to getting the answer.

That is all I have to say at this time, except that if the bill receives second reading I shall move that it be referred to committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hayden, bill referred to the Standing Senate Committee on Banking, Trade and Commerce.

• (2130)

APPROPRIATION BILL NO. 1, 1972

SECOND READING—DEBATE ADJOURNED

Hon. Eric Cook moved the second reading of Bill C-175, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1972.

He said: Honourable senators, on March 29, 1971, just two days short of one year ago, I had the privilege of introducing in this house a bill to provide for supply for the final supplementary Estimates for 1970-71. It now falls to my lot to introduce bill C-175, to provide for supply for the final supplementary Estimates for 1971-72. I join with all other senators in expressing the wish that introducing supply bills will not become for me an annual habit.

Honourable senators, you will recall that royal assent has already been given to three supply bills covering Estimates for the current fiscal year. The first provided interim supply for the months of April, May and June. The second, agreed to on June 23, 1971, provided full supply for the balance of the main Estimates for 1971-72. The third, which provided full supply for Supplementary Estimates (A), was approved on December 15, 1971.

The bill now before us provides for full supply for the final Supplementary Estimates (B) for 1971-72, and is, of course, the last supply bill for the year ending March 31, 1972. These final supplementary Estimates provide for the expenditure of $184,625,025 under the heading Budgetary Votes, and for an additional $98,226,000 required under the various statutory obligations. Lastly, there is provided a further sum of $150,649,002 for certain loans, investments and advances.

This last sum is apart from and in addition to the sums voted for purely budgetary and statutory expenditures. However, $145 million of this last amount of $150,649,002 is not a fresh vote, because it merely replaces a previous larger provision of $172 million contained in the original main Estimates and which will disappear as it is now being repealed. The difference between the $172 million of loans contained in the main Estimates and the $145 million of loans now provided for in these final Supplementary Estimates (B) is $27 million.

In order to explain this vote, I shall quote from the evidence given by Mr. D. B. Dewar, Deputy Secretary, Program Branch of the Treasury Board, to the committee of the other place:

> The $27 million reduction in new loan authority is in effect being replaced by a proposal to increase the grant side of the aid program by $27 million. That $27 million includes $15 million in grants for emergency relief to refugees in India and East Bengal that was included in the Supplementary Estimates (A). It also includes $12 million for projects that will take place in East Bengal, or Bangla Desh, on a grant basis that were previously in the program on a loan basis at the time when this was part of Pakistan. These are the provision of railway track material to the railway and a tube well project.

The total Estimates tabled to date consists of budgetary expenditures of $15,195,111,070 and net non-budgetary expenditures, loans, investments and advances, of $1,279,329,878. The total Estimates tabled to date are $16,474,440,948.

These Supplementary Estimates (B) were referred to the Senate's National Finance Committee on March 8, 1972, and they were discussed in committee with Treasury Board officials on March 23. The committee's report was tabled during Thursday's session of the Senate and is, of course, fresh in the minds of all honourable senators.

The form of this bill is the same as that passed in previous years. No additional borrowing authority is being requested in this bill. The previous supply bills for the current fiscal year provided borrowing authority totalling $3 billion, and $2,150,000,000 has in fact been borrowed during the year.

The principal components of Supplementary Estimates (B) are:

$20 million to recoup the Agricultural Commodities Stabilization Account for deficiency payments paid to raisers of hogs.

$12 million under the Canadian International Development Agencies to provide aid for rehabilitation and reconstruction in East Bengal.

$145 million for loans to developing countries—this vote as I have already explained is more than offset by the repeal of the original vote for loans to developing countries of $172 million. The net effect is a reduction of $27 million in total loans for the year.

$40 million being an upward revision in the amount forecast as payable in equalization payments to the provinces.

$92 million for a revision in the forecast of payments to Quebec under the Established Programs (Interim Arrangements) Act—principally because of higher hospital services costs and higher welfare costs.

$11 million to the Canadian Wheat Board for losses incurred in the operation of the barley pool account for the crop year ending July 31, 1971.

$68 million for payments to producers of wheat to increase their returns from wheat sold for domestic consumption.

$25 million in additional funds for the Local Incentives Programs under the Department of Manpower and Immigration.

$25 million for a revision in the forecast of Canada Assistance Plan payments which the federal government makes to the provinces in sharing their welfare costs.

$15 million to the Ministry of Transport to cover the cost of three ferry vessels originally financed under a loan vote in 1968-69. These three ferries are the *Lucy Maude Montgomery* which operates between Sydney, Nova Scotia, and Port aux Basques, Newfoundland, and the *Vacation Land* and the *Holiday Islander*, both of which operate between Borden, Prince Edward Island and Cape Tormentine, New Brunswick.

There are also some reductions shown in these Estimates to forecast amounts of statutory items. In particular there is a $55 million reduction from the $80 million originally established as a limit under the Employment Support Act set up to reduce the unemployment effects that were expected to flow from the 10 per cent United States surcharge.

Happily, as a result of an improvement in international financial affairs and successful negotiations between governments, the surcharge has been removed and the full amount of $80 million was not needed.

• (2140)

There is also a reduction of $18 million in the amount forecast as payable to the Unemployment Insurance Commission as the government's contribution. This amount is no longer payable with the coming into full effect of the new Unemployment Insurance Commission Act.

In view of the observations contained in the excellent report of the Standing Senate Committee on National Finance tabled in the Senate on Thursday, March 23, 1971, there is no need, I am sure, to delay the house by further extended comment on the appearance of 39 $1 items in these Estimates. The Senate, both during debates on previous supply bills and through the reports of the Standing Senate Committee on National Finance, has on numerous occasions expressed strong disagreement with this practice.

The current report of the Standing Senate Committee on National Finance dated March 23, 1972, once again expresses concern regarding the use of $1 items in these acts. However, the report of March 23 deals in great detail with all 39 $1 items contained in this bill.

Hon. Mr. Desruisseaux: They could have given this explanation without too much extra effort when they printed Supplementary Estimates (B).

Hon. Mr. Cook: I feel Senator Desruisseaux has a good point. However, as far as the Senate is concerned this evening, they have been fully dealt with in the report of the National Finance Committee.

The report gives a very full explanation of each item, and outlines the purpose of the vote, and the source from which the funds to pay the vote will come. In view of the fact that these items have been fully dealt with in the report of the Standing Senate Committee on National Finance, I feel no good purpose would be served by my going over the same ground.

Honourable senators, I think I have covered all the important features of this bill, but should you wish further explanation, I will of course endeavour to supply it to you.

On motion of Hon. Mr. Grosart, debate adjourned.

APPROPRIATION BILL NO. 2, 1972

SECOND READING—DEBATE ADJOURNED

Hon. Eric Cook moved the second reading of Bill C-176, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

He said: Honourable senators, the Estimates for 1972-73 on which Bill C-176 is based were tabled in the Senate and referred to the Standing Senate Committee on National Finance on February 24, 1972.

However, these Estimates have not as yet been discussed in committee but before we are called upon to give final approval to the 1972-73 Estimates, our National Finance Committee will have ample opportunity to discuss these Estimates, and to report.

This will be the case because the present bill covers requirements for the first three months of the new fiscal year only. Therefore, long before we will be called upon to pass judgment on the total Estimates for the current year we will have before us the usual helpful report of our Finance Committee.

The 1972-73 Estimates total $16,539,080,169 consisting of budgetary expenditures of $15,749,301,169 and non-budgetary expenditures (loans, investments and advances) of $789,779,000.

I might point out as a matter of interest that the total of the main Estimates for the new year and the subject matter of Bill C-176 are just over $16.5 billion. This is about $1.2 billion more than the main Estimates for the current year, and about $50 million more than the total of this year's main Estimates plus the total of both Supplementary Estimates (A) and (B).

The bill now before us is the first interim supply bill for the 1972-73 fiscal year and will release, as I have already said, a general proportion of three-twelfths of all votes in these Estimates. There are, however, some votes where additional proportions will be released. There are 20 such special items and I will refer to these votes later. However, in no vote will the total amount voted be released.

The total expenditure proposed by this bill is $2,399,125,992.20.

The proportions requested in this bill are intended to provide for all necessary requirements of the Public Service to June 30, 1972. This bill is the usual form of interim supply bill and, once again, in no instance does this bill request release of the total amount of any item.

In general, the twenty votes which require additional proportions can be grouped as follows:

1. Votes in which it is customary to pay grants early in the fiscal year.

2. Votes for which additional sums are required to finance programs until forecast revenues are received later in the fiscal years.

3. Votes which provide payments required to cover accounts maintained on a calendar year rather than a fiscal year basis.

4. Votes for which additional proportions are required for other specific purposes.

Unless any honourable senator wishes future information on these votes at this time, I would suggest that perhaps further detailed explanation of them could be left to our standing committee. I believe there is good reason why in each case more than three-twelfths is now being released.

For example in Schedule A under the Department of Consumer and Corporate Affairs there is Vote 25 for $469,000. This vote is for the purposes of the Prices and Incomes Commission, and in this case a further eight-twelfths is being released. This is in addition to the overall three-twelfths released by section 2 of the bill.

Thus the Prices and Incomes Commission will receive eleven-twelfths of its vote. This is being done in order that the Commission can complete its work by June 30, 1972. You will note, nevertheless, that even here the full 100 per cent of the vote is not now to be paid so that this vote in common with all other votes remains, and may, of course, be commented upon by our standing committee or by any honourable senator.

Section 5 of this bill not only grants borrowing authority of $3 billion but also provides for the cancellation of all outstanding and unused borrowing authority from previous Appropriation Acts for the fiscal year 1971-72. This borrowing authority has been included in the bill as usual to authorize the issuance of treasury bills, marketable bonds, unmarketable bonds, and Canada Savings Bonds for the financing of the ordinary operations of the government, non-budgetary cash requirements such as loans and advances to crown corporations, and to meet the requirements of the Exchange Fund Account.

I would conclude, therefore, by once again pointing out:

1. The proportions requested in this bill are intended to provide for all necessary requirements of the Public Service up to June 30, 1972.

2. In no instance is the total amount of an item being released by this bill.

• (2150)

3. The form of the bill is the usual one for interim supply bills.

4. The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the Estimates when it comes up for consideration in committee, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

If any honourable senator wishes any further information I shall be glad to provide it.

Hon. Mr. Benidickson: Honourable senators, I wonder if Senator Cook would care to comment further on his statement with respect to Schedule A. It is the only one of the many items in the bill which asks for eight-twelfths of the total amount expected to be expended in the new fiscal year commencing April 1. As this relates to the Prices and Incomes Commission, can one take the inference that there is some special activity going on in that branch to prepare themselves for prices and incomes controls?

Hon. Mr. Cook: My information is that which I have already given the Senate, that they are now being voted eleven-twelfths in order that they can conclude their work by June 30, 1972.

On motion of Hon. Mr. Grosart, debate adjourned.

SCIENCE POLICY

PROPOSED CONFERENCE TO ESTABLISH COMMISSION ON THE FUTURE—DEBATE ADJOURNED

Leave having been given to revert to Motions:

Hon. Maurice Lamontagne, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

> That the Senate sponsor a conference to be held in the Autumn of 1972 for the purpose of establishing a Commission on the Future, whose responsibility would be to help as many private and public organizations as possible to forecast and build their future not only in isolation but together, as was recommended in Chapter 13 of Volume II of the Report of the Special Committee of the Senate on Science Policy;
>
> That the Senate specifically assign the responsibility of organizing the said conference to the Honourable Senators who are now members of the Special Senate Committee on Science Policy and authorize the said Senators or a majority of them to incur such special expenses in connection with the said conference as may be necessary for the purposes of the said conference; and
>
> That any such special expenses shall be deemed to be special expenses within the meaning of and shall be subject to the restrictions imposed by Rules 83A and 84 of the Rules of the Senate.

The Hon. the Speaker: Would the honourable Senator Lamontagne give me the name of the seconder?

Hon. Mr. Smith: I understood that this was a notice of motion to be discussed tomorrow.

The Hon. The Speaker: The honourable senator asked that the Senate revert to motions, and I thought leave was granted.

Hon. Mr. Choquette: Yes.

The Hon. the Speaker: I asked if leave was granted, and there was no dissenting voice.

Hon. Mr. Martin: Surely there is no problem, Mr. Speaker. Senator Lamontagne asked for leave to place this motion on record. That is the way it will stand, and tomorrow or the next day we will deal with it.

The Hon. the Speaker: Then I must now put the motion.

Hon. Mr. Croll: There is no motion. There is notice of a motion for tomorrow.

The Hon. the Speaker: There is a misunderstanding. I was following very closely what Senator Lamontagne said, and he asked with leave to revert to motions. I then asked if leave was granted and apparently there was no dissenting voice, and Senator Lamontagne made his motion. I must now put the question on that motion.

It is moved by the honourable Senator Lamontagne, seconded by the honourable Senator Thompson, that the Senate sponsor a conference to be held in autumn of 1972—

Hon. Mr. Smith: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Lamontagne: I do not know my position in so far as the rules are concerned.

The Hon. the Speaker: Is it the wish of Senator Lamontagne to move the adjournment of the debate?

Hon. Mr. Lamontagne: Yes. I would like to speak on the motion tomorrow, if possible.

On motion of Hon. Mr. Lamontagne, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

INCOME TAX ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. John J. Connolly, for Hon. Mr. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-169, to amend the Income Tax Act, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Connolly (Ottawa West): Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

UNITY BANK OF CANADA—REPORT OF COMMITTEE

Hon. John J. Connolly, for Hon. Mr. Hayden, Chairman of the Standing Senate Committee on Banking, Trade and Commerce, reported that the committee had considered Bill C-164, to incorporate Unity Bank of Canada, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Maurice Bourget: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

• (1410)

AIR TRAVEL ARRANGEMENTS FOR SENATORS

On the Orders of the Day:

Hon. A. Hamilton McDonald: Honourable senators, before the Orders of the Day are proceeded with, permit me to inform you that on Thursday morning, March 30, between 8 and 9 o'clock, a Department of Transport Viscount will leave Ottawa for points in eastern Canada. Any senator who wishes to travel on this plane may make arrangements to do so by telephoning Mrs. Grant at 6-7501.

Hon. Mr. Flynn: Will the aircraft stop at Montreal and Quebec City?

Hon. Mr. McDonald: It is my understanding that it will stop at any airport where passengers wish to disembark.

An Hon. Senator: What are the arrangements for western Canada?

Hon. Mr. McDonald: Normally on these occasions a Department of Transport aircraft flies east and an Armed Forces aircraft flies west. There has been no word from the Armed Forces, so I do not think there will be any aircraft going to western Canada.

Hon. Mr. Martin: Will there be any plane going to Windsor?

Hon. Mr. Flynn: Is there an airport in Windsor?

APPROPRIATION BILL No. 1, 1972

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cook for second reading of Bill C-175, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1972.

Hon. Allister Grosart: Honourable senators, Senator Cook gave us a very interesting and excellent outline yesterday of the effect of this bill. I would like to add a few comments to what he told us on that occasion.

This bill gives us the last estimate of the proposed spending of the government for the year 1971-72, being Supplementary Estimates (B), which ask approval of expenditures of something in the neighbourhood of $433 million.

Honourable senators will remember that when the Estimates were originally presented for the year, the assumption was that, barring supplementaries, the government spending covered by the main Estimates would be $15.1 billion for the year. The supplementary estimates have now raised this figure to $16.4, an increase of $1.3 billion roughly.

When one looks back over the record of federal government and other spending during the last few years, one finds we are faced now with a doubling of total federal government spending since 1966-67.

The National Finance Committee recommended a few years ago to the government that it would be wise policy to contain the percentage of increase in the annual spending by the federal government to the percentage increase in the gross national product in any one year—a recommendation which would seem to make very good sense. Obviously, the funds which the government spends must come out of the GNP, and one wonders how long we can go on, year after year, spending at a faster rate than the GNP is providing funds.

The average federal government spending from 1967 to 1971 shows an annual increase of about 12 per cent. It is normal for government accountants to subtract from that the transfer payments that are made by the federal gov-

ernment to the provinces, although, of course, this is merely an accounting explanation. It does not alter the fact that the federal government requires from the taxpayers of Canada a certain level of revenue with which to make these various distributions.

It is fair, however, to point out that from an accounting point of view these transfers do show up normally in the percentage increase in provincial spending, and that the transfers from the provinces to the municipalities will show up in any assessment of the percentage increase in municipal expenditures.

It is customary, too, to say that the federal government appears to have done considerably better than the provinces in holding down expenditures. In the same period the annual increase in provincial government expenditures, less their transfers to local institutions and municipalities, is somewhere in the neighbourhood of 19 per cent to 19½ per cent. Put the three together, federal, provincial and local, and you will find that at the present time the total "tax take" out of our gross national product is about 38 per cent.

But to have a clear picture of the involvement of the federal government in the total economy we have to add to these some other figures, because, as I will indicate in a minute, one of the problems we are faced with over and over again, when we have appropriation bills such as the one before us, is the fact that they do not disclose the total federal government spending. I have mentioned this before. I intend to keep on mentioning it until the time comes when the federal government is prepared to put before Parliament a statement of the total spending or loaning of taxpayers' money that it intends for any one year. I repeat that these total figures do not appear in the Estimates. We do not have the total figures. This has been called to the attention of the government by the Economic Council of Canada. It has been called to the attention of the government by our committee. We still have not only no action but no indication that we are going to get any action.

At a recent meeting of the Standing Senate Committee on National Finance, when we were dealing with this bill, I asked for these figures and was again told that it would be very difficult to produce them. Representatives of the Treasury Board told us, "We don't think we can do it." Well, I suggest that the time has come when Canadians are entitled to know the total percentage of GNP and the total percentage of their tax dollars that all governments intend to spend in any one year before they actually spend the money. I am not saying that there are any hidden figures there. It is true that to some extent there is in the budgetary papers an indication of these additional figures that are not covered in the Estimates, and, if you search through it, you can find almost all of them. Almost all of them show up also in the public accounts, but we have developed over the years a system of presenting Estimates which is certainly not designed to make full disclosure. I hope the time will come when through the efforts of our committee or through other efforts there will be full disclosure of the total spending plans of all levels of government in Canada before the money is spent.

On a happier note, although there are these very heavy additional expenditures in these supplementary Estimates, there are, nevertheless, some reduction items in these supplementary Estimates.

• (1420)

Hon. Mr. Connolly (Ottawa West): May I interrupt Senator Grosart to ask him a question at this stage? The point he has just finished making is very valid and the opinion he has expressed is one that most of us would share. If there are to be further disclosures about government spending in the federal field, it is within the purview of the National Finance Committee to investigate, discover and report this. But what about control of expenditures by provincial governments? Does Senator Grosart have any views on this? I ask this question because I know he attends the meetings of the Finance Committee regularly and he takes a very active part in its work. I wonder if he has any views as to the efforts that might be made by that committee in respect of the suggestions he puts forth about provincial government spending.

Hon. Mr. Grosart: In answer to Senator Connolly I would say that we have to recognize immediately that we might be told provincial government spending is none of our business, and perhaps there would be some justification for that. However, I think it is quite possible that in examining, as we are required to do, the federal government Estimates of expenditures, we could quite plausibly suggest that we would have to examine them against the background of the entire national spending context. Last year 40 per cent of the total "tax take," if I may use that phrase, was accounted for by federal government estimates and spending. The items that I have referred to as not being included in the Estimates—which one assumes to be a statement of intended government spending—are such things as the CNR, the CMHC loans, and parallelling them, there is another very large group in the provincial area such as Quebec Hydro, Ontario Hydro and B.C. Ferries. There are all sorts of government-controlled organizations whose financial status is not put before us in the Estimates, and it is the federal responsibility in the situation that I am commenting on at the moment.

To come down to the supply bill itself, we as parliamentarians are faced with a very great problem. There is at the present time in the Parliament of Canada nothing even approaching an adequate audit or examination of the Estimates. That statement may be questioned, but the fact remains that—although I am not able to say exactly what was done in the other place with respect to this bill dealing with Supplementary Estimates (B)—we know that the Supplementary Estimates (A) went before the committees of the other place, as required by their rules. But in Supplementary Estimates (B) there was a total of 87 votes of which only 32 were discussed because there was no time in the time schedule allotted under the standing orders of the other place for the committees to even discuss the rest.

Honourable senators are well aware, I am sure, of the new schedule in the other place, which I am not criticizing, because they are trying desperately to improve this situation which is completely unsatisfactory. It is being said over and over again in the other place that it is quite impossible under the time limits imposed on their committees to return to the House of Commons with anything

like a statement of a complete analysis of the spending intentions of the Government of Canada.

We are all aware, of course, that from time to time the Auditor General makes criticism and rightly so. One of the reasons, but not the only one, is, of course, that the Estimates themselves have never been properly examined. Surely it is not satisfactory to wait until the end of the year, to wait until we have the public accounts, to have any kind of an audit or to see what is being done with the taxpayer's money. Even if that audit by the Public Accounts Committee was complete, and once again I am not being critical, because I feel that committee is doing an excellent job, it would surely be unsatisfactory for us to continue finding fault as we are doing now after the money has already been spent.

Honourable senators, surely it is within the competence of the government and its officials to design a better method of presenting to Parliament the complete Estimates of spending intentions for the year. In dealing with this type of bill, our committee has raised these problems on many occasions. We find that these appropriation bills, and of course this is an appropriation bill, are perhaps an example of how a good precedent can develop into a very bad habit. In the type of legislation we are being asked to deal with in this bill, or in any other appropriation bill, there are many inconsistencies from the point of view of the criteria necessary for full disclosure.

As Senator Benidickson has indicated both in committee and in the house, the level of disclosure is lamentably low. He has given us an example of certain expenditures in connection with ferries which were purchased by the Department of Transport. As he pointed out, there was an expenditure of $15 million, and the names and location of the ferries were not even disclosed in the supplementary estimates. This is the kind of inconsistency which exists throughout the entire Estimates. In this particular case, some ferries were required and the federal government lent the money to purchase them around 1968, and it is only in these Estimates that someone has discovered the absurdity of that transaction. There are other examples such as this which appear in the Estimates as loans when, in actual fact, they are capital expenditures. Indeed, the purpose of one of the items in this bill is to correct that absurdity. However, it has taken three or four years to do this. Another example would be in regard to certain loans which were made to the CBC—there is no way in the world this money will be recovered, any more than will the loans to purchase the ferries be recovered. Yet in these Estimates we maintain this fiction year after year and we appear to have made very little progress.

I feel it is my duty to protest, and I believe our committee will continue to protest, and perhaps in time the committee will obtain results from their protesting. I say that because here again in Bill C-175 we are faced with some 20 $1 items. The situation in regard to $1 items is now much better than it was three or four years ago. At least now, as a result of the work of the committee, we have had for some time an explanation of these $1 items. This has advanced to the point where the Treasury Board officials are now prepared to break them down, give us the effect and tell us which of these are actually amending legislation. I will not today go into that whole argument which I have presented before, but it is about time that we got rid of this method of amending legislation.

• (1430)

The committee in its report recommends two major changes. One is that the explanation of the $1 items in future be printed with the Estimates. I can see no reason why that should not be done. Senator Benidickson raised that matter in committee and, I believe, convinced the officials that this should at least be given careful consideration. I say we have been able in our committee to have these figures explained to us.

Hon. Mr. Benidickson: I have written since to the minister in charge of the Treasury Board.

Hon. Mr. Grosart: We have these before us now in typewritten form, and we are hopeful that they will be printed with the Estimates. There is a very good reason. Honourable senators may be surprised at this. In spite of the fact that we have had this explanation in typewritten form before us in our committee, it has never been given to the House of Commons or a committee of the House of Commons. Why? Because they did not ask for it, I suppose. I am glad to say, however, that in the House of Commons this matter of the $1 items is being raised, but the explanation I refer to was not given in the House of Commons. We asked that particular question and the answer given was no. I do not believe any of us wished to embarrass the officials further by asking if there is any possible reason in the world why, after giving it to a Senate committee for two years, it would not have occurred to anyone that it would be a sound practice to put it before the committee of the other place, which has exactly the same responsibilities as we.

Hon. Mr. Connolly: They may not be as thorough as our committee.

Hon. Mr. Grosart: Knowing something of what goes on in those committees, I would have to demur to that comment. In total they are rather more thorough than are we. As honourable senators are aware, under the new House of Commons system the Estimates of each department are referred to specific committees which are required to report by May 31. The whole point, of course, is that this would mean that by May 31 all the Estimates of all departments would have had a thorough going over in committee. Unfortunately, in practice it has worked out that the committees just do not have enough time. Come May 31, when the main Estimates will be before Parliament, it is anybody's guess as to how many departments will have been examined and certainly anybody's guess as to what low percentage of the total votes will have been examined thoroughly.

This raises other difficulties in relation to this type of bill. An assumption with which it would be quite proper to start in relating an appropriation act to any other act would be that the ordinary act of Parliament would deal with authorizing certain activities on behalf of the government while an appropriation act would authorize the expenditures necessary to complement the other authorization.

This is not what has happened. We now have authorization acts enacting legislation which actually commits the

government to activities which are not covered by any other act.

As Senator Connolly (Ottawa West) said the other day, an appropriation act is an act of Parliament. So this device has grown up from what was originally a good precedent into what can only be described as an extremely bad habit which, like all bad habits that are not corrected, keeps on growing.

We now have appropriation bills amending other appropriation bills, which is understandable; but also, of course, amending other acts of Parliament without any attempt to go through the normal process of amending that act by using the kind of proper terminology which would make the amendment directly relative to the act.

Again, out of this sytem comes a very pretty device to limit disclosure. I am not saying it is deliberate. Consider, for example, the $1 votes which deal with very large sums of money. Over and over again we find that the reason why only $1 is being voted is that the department or ministry has found the money somewhere else. We therefore assume they are not spending that money, that they have actually saved some money, and they need the $1 vote only to transfer money already approved into another activity.

If honourable senators examine the $1 items in this bill they will find that there is very little saving, that ministries have found, for one reason or another, that they cannot spend the money, and have discovered another place to spend it.

For example, in the A group of $1 items—I have broken them down—where was the money found? What happened that money was available? In two cases there were delays in recruitment of staff. However, we know that staff will be recruited. Because they were unable to recruit staff, they said "We have some money and we will find a way to spend it." Five were due to delays in completing agreements with the provinces. We know that those agreements will be completed and that the money will be spent. One is due to a delay in a capital project, another to delay in the delivery of goods, two due to delays in construction. Another is due to what is called a slippage of a capital building program. That is a new word for me. I do not know what it means, but, anyway, something slipped. Finally, five are due to delays in awarding contracts. We know all this money will be spent. They are only delays. No one has ever said we are saving this money, but this impression is given over and over again. In other words, "We have found money, so we only need $1 for these 20 items."

• (1440)

I have used the word "inconsistencies" in describing this bill and others like it, and I have indicated a few—only a few—of the many inconsistencies that I find in it. This to me is a totally inadequate system of presenting government spending intentions to this house or any other House of Parliament.

Hon. L. P. Beaubien: Honourable senators, I feel that if the Senate is to be of any use in controlling expenditures, if it is to have any opinion on which programs are worth while and which are not, I think we should examine some of the programs in depth and then suggest what should be done. It is all well and good to look at a $1 item and decide whether it is right or wrong. However, if we are to be really useful I think we should examine doubtful expenditures, and if we believe something is wrong with any of them then we should say so.

A couple of years ago I spoke on the CBC and at that time I pointed out that since 1955 the government had invested in the CBC by making up their deficits or their capital expenditures, or whatever you want to call them for they are all the same as the money is never repaid. The government has invested $1½ billion in the CBC. I pointed out at that time that at a reasonable rate of interest—and that would be 6 per cent if you average it over the years—the cost of the interest alone would amount to $100 million a year. The CBC at that time was spending about $160 million a year plus about $25 million for capital expenditures for a total of approximately $180 to $190 million. Add to that amount the $100 million a year in interest charges and you are looking at a cost figure of something in the neighbourhood of $300 million a year.

In this year's Estimates the costs of the CBC show an increase of about $31 million over last year—an all-time high. Also, of course, we now have a Film Board and the CRTC, both of which are pretty much in the same league with the CBC and both of which are also spending a good deal of money. The CBC has just completed a building that was to cost $65 million. I do not know if we will ever be told what it eventually did cost, but if you go to Dorchester Boulevard East you will see spread over three city blocks the most unbelievable structure you have ever seen. Now, of course, they are filling the building to capacity and the costs are soaring.

Hon. Mr. Martin: I did not hear that.

Hon. Mr. Smith: Do not ask him to repeat it; it is bad.

Hon. Mr. Martin: I did not hear your last remark.

Hon. Mr. Beaubien: You may never hear the last word on the CBC.

Hon. Mr. Martin: I did not hear the last point you made, senator.

Hon. Mr. Beaubien: I was talking about the enormous building covering three full blocks on Dorchester Boulevard East which the CBC has just recently completed.

Hon. Mr. Smith: How many storeys are in it?

Hon. Mr. Beaubien: You have to see this building to believe it.

Hon. Mr. Flynn: How do you spell "storeys"?

Hon. Mr. Beaubien: There are quite a number of "stories."

Honourable senators, just before the last World War the CNR was running at a deficit of $300 or $400 million a year and it almost bust Canada. The point I am trying to make is that the CBC is heading in that direction.

Some Hon. Senators: Hear, hear.

Hon. Mr. Beaubien: Why is it we need the CBC in Montreal? We have any amount of stations in Montreal and they can provide the same service. Why do we need the CBC in Toronto or in other large centers? I could understand it if the CBC was broadcasting something which

only Indians or Eskimos were interested in. There would, of course, be no money in that type of broadcast for anyone else, and the CBC should do it. But to have an enormous organization such as the CBC producing all types of films and plays is surely not necessary.

If they wish to produce something in Moncton, then, of course, the staff from Montreal has to travel to Moncton. They may only work one or two hours a week but, of course, they must be there in case they are needed. It makes absolutely no sense at all. The cost of operating the CBC will continue to escalate. For heaven's sake, if we have any sense at all, why do we not sit down and take a careful look at it. I do not blame the House of Commons for not doing so. Wherever there is a dictatorship the one thing the government wants to get their hands on is the mass media, and once it is in the hands of the government anyone who does not agree with the government is taken off the air. It is to our credit that the Canadian Parliament has not tried to take over the CBC and muzzle it. If you want to criticize the government the only criticism, in my opinion, is that it allows a bunch of dummies to run it.

I do not believe the House of Commons can do anything about it because they are an elected house. However, we are not an elected house and, therefore, we can do something about it.

Hon. Mr. Martin: The House of Commons can or can't?

Hon. Mr. Beaubien: The House of Commons cannot do anything about it.

Hon. Mr. Smith: Why?

Hon. Mr. Beaubien: Because they do not want to put their hands on it. If they ever tried to muzzle the CBC everyone would criticize them as they are an elected body. I can see their point and understand it, and I think it makes sense. As I said earlier, in any kind of dictatorship the one thing the government wants to put their hands on and be in control of is the media. For that reason, I do not think the House of Commons should go into it. We, however, as an appointed chamber are in a position to go into it and to straighten the mess out, selling off all the things we do not need.

Hon. Mr. McDonald: The whole thing.

Hon. Mr. Beaubien: If you want to give me the job of selling the CBC I could earn a nice commission. I would sell the whole thing for $300 million. If that were done we would save an enormous amount of money every year. The government would lose the approximately $1½ billion Canada has invested in this useless enterprise. However, if you want to make a gift to your children and grandchildren then dismantle the CBC and sell it off piece by piece. Otherwise they will be paying for this through the nose forever and ever.

Hon. Mr. Burchill: Honourable senators, I wonder if I may digress somewhat from this very interesting subject which Senator Beaubien has raised, and ask Senator Grosart a question. I hope his remarks are still fresh in his mind.

If I understood the honourable senator correctly he said the total expenditures show an increase of 12 per cent and this included the transfers to the various provincial governments. Now, transfers, I do not think, can be considered, as far as federal funds are concerned, as expenditures. My question is: What is the overall increase, according to his calculations, without the transfers?

Hon. Mr. Grosart: That is a very interesting question. In the first place, I did explain that there is a difference between the accounting approach and a straight assessment of expenditures. Of course, whether the money is transferred to the provinces or not, it does not alter the fact that the federal government has taxed to get that money.

Hon. Mr. Benidickson: Or borrowed.

Hon. Mr. Grosart: If you wanted to carry that through you would never stop because even family allowances are transfers to individuals. In fact, most of the money is transferred to someone. I was referring only to the transfers to the provinces which are quite often taken out of the assessment of the federal total because they are going to appear in the total expenditures of the provinces.

The 12 per cent is an approximate figure. I think the actual average was 11.8 per cent. I assume that with these last supplementaries it would be about 12 per cent over the period I indicated. If you take out provincial transfer payments on that broad figure it would drop to about 10 per cent or 9.9 per cent, or somewhere in that area, which would still be above the rate of annual increase of the GNP, which in current dollars is perhaps, over that period of time, about 9 per cent.

• (1450)

Hon. Jacques Flynn: Honourable senators, I have one observation to make and a question to put to the sponsor of the bill (Hon. Mr. Cook) or the Leader of the Government. I think this debate has been very interesting, because it shows the inefficiency of Parliament—in which I include the other place, despite the remarks of Senator Connolly (Ottawa West)—in really having control over public expenditures. Sooner or later we will have to devise some way of giving real control to Parliament over expenditures by the executive. There is no doubt that the more we spend the less control we have, and something will have to be done.

It has been my experience, since I entered Parliament 14 years ago, when we had a budget which was about one-third what it is today, that the other place is not in the mood or really able to have control over expenditures, because while a lot of members there will say the government should spend less, they will seldom point to where the decrease should take place, since they are afraid of making enemies of those of their colleagues who would be adversely affected. Perhaps the Senate is better equipped. Certainly the speech of Senator Beaubien showed that we can talk forcefully about some of the Estimate items.

My question to the sponsor of the bill or the Leader of the Government relates to clauses 5 and 6. I was wondering whether these clauses appeared in previous bills. I want to put them on the record, because I think they are important. I did raise this question some years ago. Where is the line drawn when there is an appropriation bill authorizing the government to spend money? The public accounts say that so much money was spent in a given fiscal year. Where do you draw the line? Which amount is

reputed to have been spent in a given fiscal year that was appropriated by a given appropriation bill?

Clause 5 says:

> At any time prior to the date on which the Public Accounts for a fiscal year are tabled in Parliament, an appropriation granted by this or any other Act may be charged after the end of the fiscal year for which the appropriation is granted for the purpose of making adjustments in the accounts of Canada for the said fiscal year that do not require payments from the Consolidated Revenue Fund.

That is normal about Consolidated Revenue Fund payments. I can well understand that if you are paying family allowances or old age pensions you know where to draw the line. Clause 6 reads:

> The amounts appropriated by this Act may be paid at any time on or before the thirtieth day of April, one thousand nine hundred and seventy-two, and such payment shall be deemed to have been made in and be chargeable to the fiscal year ending the thirty-first day of March, one thousand nine hundred and seventy-two.

I do not remember having seen these clauses before, but I remember having asked where the line should be drawn. How do you decide an amount that has been appropriated by Parliament should be charged to the Public Accounts for the year, let us say, 1971-72? We see that with these two clauses there is some leeway. The government may play with at least $200 million or $300 million both ways. I do not think it is satisfactory from the point of the responsibility of Parliament in controlling governmental expenditures. It is too easy to change a deficit of $700,000 million, for instance, into a deficit of $400,000 million, or even balancing, having no deficit at all, with clauses like this.

I have on previous occasions asked that our Standing Senate Committee on National Finance should look into this and try to find out what should be the rule in deciding where a given payment should take place in the Public Accounts. To me, it is most important, if we are to have an accounting that means something, something that can really give Parliament—if not the other place because of the doubts I have raised, at least the Senate—efficient control over governmental expenditures.

Hon. Mr. Cook: Honourable senators, I fear I do not feel competent to answer that question. If the Leader of the Opposition would agree—

The Hon. the Speaker: Do I understand that the honourable Senator Cook merely wishes to answer a question, or does he wish to speak and close the debate on second reading?

Hon. Mr. Cook: I had hoped to do both, Mr. Speaker.

The Hon. the Speaker: Then may I remind honourable senators that if after Senator Cook has answered that question he goes on with a speech, his speech will have the effect of closing the debate.

Hon. Keith Davey: Honourable senators, perhaps I might be permitted to delay Senator Cook momentarily to make an observation about Senator Beaubien's comments concerning the CBC. It occurs to me that the surest sign that spring is in the air is to have Senator Beaubien rise in his place and launch his annual diatribe against the Canadian Broadcasting Corporation.

Hon. Mr. Flynn: We are really off into spring.

Hon. Mr. Beaubien: It should be spring all the time.

Hon. Mr. Davey: I am delighted to have this certain sign that spring is here.

I rise also because I am anxious to stress my own belief, which I hope would be the belief of the majority of honourable senators, that if there could be anything worse than elected parliamentarians involving themselves in the affairs of the CBC it would surely be appointed parliamentarians involving themselves in its affairs.

Hon. Mr. Beaubien: I was wondering how you could get any worse.

Hon. Mr. Davey: Senator Beaubien is, of course, an old foe of the corporation. He has criticized the CBC so often in this chamber in my presence that I honestly think, with great respect, I could make that same speech myself, although not perhaps with the same passion and vehemence. However, I think we should reflect on the real virtue and value of the CBC in this country, which I believe is much more than simply providing services to outlying areas.

Hon. Mr. McDonald: What services?

Hon. Mr. Davey: I was particularly delighted that today Senator Beaubien gave the CBC that particular credit, as indeed I think we should. In my opinion, the corporation is in the forefront of public broadcasting anywhere in the world. It is a corporation of which Canadians can be proud. As I have said many times, heaven knows the CBC is difficult to defend. There are many things wrong with the CBC. Perhaps one of the things wrong with it is that Senator Beaubien's comments criticizing the corporation will doubtless find a place on the national news this evening—

Hon. Mr. Flynn: I doubt that.

Hon. Mr. Davey: —while those of us who rise in our place from time to time to defend the corporation will again be ignored, with a sort of inverted sense of public relations. In short, honourable senators, I think there are many things wrong with the corporation, but notwithstanding those things we are better off because of it.

Hon. A. Hamilton McDonald: Honourable senators, it was not my intention to take part in this debate, other than to say that I certainly enjoyed Senator Beaubien's remarks about the CBC. I am one of those people who believe we should give it away if we cannot sell it. We hear talk about the services to outlying areas, but I would like to ask some of my colleagues to visit some areas of this country that are not so outlying. There is a good deal of the Province of Saskatchewan where the CBC program, summer and winter, consists of a snowstorm. The reception is unbelievably bad. It has been that way ever since television was invented. In my opinion, if the CBC got out of the road and let some other people provide coverage, and if the CRTC would also get out of the road, we would have far better television in the remote areas of this country than we have today.

• (1500)

I do not think that the CBC has been a unifying factor for Canada. I think it has done as much as, or more than, any other organization in Canada to tear this nation apart. The people I happen to represent would be well served and be most happy to see the end of the CBC. This is not confined to the area that I live in. I have had the opportunity of visiting other areas in Canada, especially in Quebec, where there is tremendous criticism of the CBC and some of its programs in that province.

If we are to have a national broadcasting system financed by the people of Canada, surely those people ought to have some say as to how that organization operates. I know it is difficult for Parliament, and especially an elected body, to stick its fingers into the CBC or any other national organization financed by the taxpayers of Canada—for the very reasons Senator Beaubien has pointed out. On the other hand, surely we ought not to have a Crown corporation, or whatever one may call it, with nobody running it, coming to Parliament and getting millions of dollars to sponsor programs that are detrimental to the unification of Canada and its continuing unity.

Hon. Mr. Davey: Such as? Name one.

Hon. Mr. McDonald: Eighty per cent of the programs.

Hon. Mr. Davey: Name one.

Hon. Mr. McDonald: Any day of the week.

Hon. Mr. Davey: Name one.

Hon. Mr. McDonald: You can turn on the CBC, if you have not access to any other channel—

Hon. Mr. Davey: Name one.

Hon. Mr. McDonald: Name one? Gracious me, do you watch it?

Hon. Mr. Davey: You cannot name one.

Hon. Mr. Flynn: There are certainly some on the French network that give publicity to extremist affairs out of all proportion to their importance.

Hon. Mr. McDonald: The public affairs programs generally on the CBC, in my humble opinion, are not designed to bring about unity in Canada.

Hon. Mr. Fournier (de Lanaudière): That is true.

Hon. Mr. McDonald: It is all very well if you live in Toronto. You have cablevision as an alternative, but there are places in this country where there is no other service than the CBC. The service is disgraceful. I repeat that most CBC programs consist of snowflakes on the screen. I understand that the CBC intends to provide better services—

Hon. Mr. Davey: May I ask a question? Most programs consist of snowflakes on the screen, the senator says. He is referring to a station in Saskatchewan. I would be grateful, as a matter of great personal interest, if he would be specific and say whether he is referring to Regina, or Saskatoon, or where.

Hon. Mr. McDonald: I am not referring to Regina or Saskatoon, where the stations are in the city limits and the normal reception is good. I am talking about northern Saskatchewan and especially northeastern Saskatchewan, where the reception is virtually nil. This situation has existed for as long as I can remember. Why people even bother to buy a television set I do not know. The reception is terrible. I am not talking about the hinterland, I am talking about a heavily populated section of Saskatchewan. I presume that a similar situation exists in other parts of Canada. People have an alternative in communities that have cablevision, but there are many areas of Canada which do not have cablevision. There are many areas from which the CRTC have had applications for years for cablevision, but still there is no cablevision and no alternative to the CBC. Surely to goodness there is room for more than one television station or more than one or even two national services, CTV and CBC.

Hon. Ernest C. Manning: Honourable senators, as a relative newcomer to this chamber I have followed with interest the occasional discussion on appropriation bills. This is one of the most important subjects, in the interest of the Canadian people, to be discussed in this house or in the other place.

The point I wish to make today arises out of a comment by Senator Beaubien. We can discuss in general terms these appropriation bills indefinitely, but one doubts very much if that will make one iota of difference to the general trend of public expenditures by the government.

I agree fully with the point he made that, if we really wish to make a significant contribution, we can best accomplish that by zeroing in on specific areas of public expenditure, and doing a sufficiently thorough study to be able to point out to the public, and to members of the other place, arguments pro and con for the continuance or curtailment of the expenditure, or whatever recommendations may be appropriate in the light of such a study.

Within the broad scope of public expenditures today, there are some very large items which are debatable, where it is questionable whether the Canadian public is getting value for the money being spent. I hope that the Finance Committee of this house, or some other appropriate body, will pursue this matter further. Let us select two or three of the more obvious areas of public concern and see whether we cannot make some meaningful contribution that will influence such expenditures in the future.

As Senator Beaubien mentioned, the CBC is one of the areas in which there is a great deal of public discussion. Notwithstanding the observations of Senator Davey, the only criticism I have of the remarks by Senator Beaubien regarding the CBC is that he did not say nearly enough, and he did not say it nearly strongly enough. It has long been my conviction that the CBC is the most indefensible, blatant, inexcusable waste of public money in this country today.

Hon. Mr. Davey: May I be permitted to interrupt Senator Manning to ask him if it would be his preference, when it comes to broadcasting in Canada, that we have unlimited, and only, private broadcasting?

Hon. Mr. Manning: I would not say we should have only private broadcasting. My own assessment is that probably 90 per cent of the services the CBC is rendering could be rendered better, and certainly at far less cost to the public, by the private sector. There are areas where the provision of television and broadcasting facilities is not

economic, and there may be a valid argument for the government providing facilities purely as a service, in cases of that kind. But I am at a loss to understand why, when we have plenty of private capital and private expertise willing and ready to provide both television and radio services to the Canadian people, we need to spend $350 million of public money, the greater part of which is for duplication of what the private sector is doing, and what it is capable of doing on a much larger scale.

• (1510)

Hon. Mr. Davey: I wonder if Senator Manning is aware that the private television network in Canada is in a great deal of financial difficulty at the present time.

Hon. Mr. Manning: Yes, I am, and I think one of the reasons for that is the CBC.

Some Hon. Senators: Hear, hear.

Hon. Mr. Manning: When you put the private sector in competition with a public corporation financed by unlimited amounts of public money, you certainly do not create a climate in which the private sector has much inducement. But notwithstanding that kind of competition I do not think there is any dearth of companies and people trying to get into both radio and television. That is borne out by the number of applications constantly being made for new licences.

I was appalled to hear the earlier suggestion of Senator Davey that appointed bodies, such as this Senate, are not the kind of body that should examine into the structure of the CBC.

Hon. Mr. Davey: I do not believe I said that the Senate was not qualified to examine into the CBC. Indeed, the Senate Committee on Mass Media did precisely that. We did examine into the CBC. I do not disagree with you on that at all, Senator Manning.

The point I made—and perhaps I did not make it very well—was that I felt that we should not interfere in the affairs of the CBC or, indeed, muzzle it, to use the rather strong word which I think Senator Beaubien used. If I am mistaken in saying that he used the word "muzzle," then I apologize to him. On the other hand, I certainly agree with you, Senator Manning. Of course we can, and should, examine the affairs of the CBC.

Hon. Mr. Manning: I appreciate the point Senator Davey has made. The word "interfere" was used. Perhaps it is a very good word. I repeat that I am appalled by any suggestion that a nonelected body such as the Senate should not interfere with the CBC. Senator Beaubien says that the other place, because it is an elected house, cannot interfere with the CBC. Well, just what are we saying? Are we saying that the CBC is some sacred thing that neither the elected body nor this appointed body can interfere with in any way? That, of course, is the attitude of the CBC itself. If anybody criticizes the CBC, he is immediately accused of trying to undermine some great, noble structure that is supposed to be uniting Canada.

I agree fully with Senator McDonald. Ever since it was set up, the CBC has done more to tear Canada apart than it has to unite Canada.

Hon. Mr. Beaubien: Hear, hear.

Hon. Mr. Davey: Could you give us an example of this tearing apart of Canada which has been done by the CBC?

Hon. Mr. Manning: I do not want to cite individual programs, because that immediately puts the whole matter out of perspective, but I agree with Senator McDonald that most of the so-called public affairs programs on the CBC do more harm than good. I go back to the days when they had programs called "This Hour Has Seven Days." I am referring to that type of program. In my view most of such programs are detrimental to the unity and interests of this country. The very manner in which they are presented, and the obvious bias with which they are presented, is evidence of that to anybody who watches them.

I apologize for spending time on this matter, because really it is not my main point. Let me come back to my main point, namely, the contribution this house could make, if it were to select for detailed examination some major areas of public expenditure, and do a sufficiently thorough study to come up with meaningful answers and recommendations to guide the other place in dealing with such expenditures in the future.

Hon. Andrew Thompson: Honourable senators, in debating this appropriation bill we seem to have been focusing mostly on the CBC. Perhaps because it is not too long since March 17, I want to enter the fray and make it clear in the Senate that I do not agree with the wholehearted and sweeping denunciations of the CBC that have been made by Senator Beaubien, Senator McDonald, and Senator Manning. If we look at the CBC and at the international awards which it has received for a great number of its programs, including programs on public affairs, we really ought to have some pride in the institution. Certainly, there could be an examination of the management of the CBC and, indeed, of its programming. However, my personal feeling is that if we are going to deal with the CBC we should have an opportunity to express our views on it in a debate in the Senate, rather than discussing it in passing only as one aspect of an appropriation bill.

So that the Senate will not feel that Senator Davey is a lone advocate for a positive approach to the CBC, let me make clear my position in support of him. I think it will be found that there are other senators in agreement with us with regard to the CBC.

Hon. Sidney L. Buckwold: Honourable senators, I also rise in order to come to the defence of the CBC. I do so particularly because I disagree with certain statements made by my colleague from Saskatchewan, Senator McDonald. Let me say at once that I respect him very much, but, obviously, the southern part of Saskatchewan is in much worse shape than the northern part.

I want to say that the service provided by the CBC to the northern part of Saskatchewan—and I am not referring solely to the cities—is exemplary and the people are satisfied with it, considering the problems that are faced there. The service provided by the CBC is certainly every bit as good as, if not better than, the service provided by the private stations operating in the more remote areas via satellite.

I think it is well accepted that the people of our area are happy with the service provided by the CBC. It is not the service that the people complain about. The thing that astounds us in our part of the world—and I am sure Senator McDonald would agree—is that suddenly $60 million is available for a new headquarters for the CBC in Toronto, whereas in Saskatoon, when we tried to get a second station, we were told the money was not available. Imagine a city of 130,000 people with only one station! We tried for five or six years to get a second station, but the best we could do was accept the lesser of two evils, if I may put it that way. We now have programs piped up to us from a studio in Regina. We were pleased to get another station, but we were not very happy that it should be coming out of a southern city. But the CBC tells us it does not have the money; there just is not enough money. Then suddenly $60 million is available for Toronto.

That is the kind of thing that does worry us with respect to the CBC. We are not worried about the so-called service problem. The CBC has been charged with inefficiency. Undoubtedly it is inefficient, but I say to members of the Senate that inefficiency is rampant in almost any kind of government bureaucratic organization, either federal or provincial. I do not believe we get the very best value for our money when governments do things. That is why I am convinced that socialism will never work. In my opinion the CBC is a good example of that, but it is not the only example of government inefficiency.

So far as the programming is concerned, I have to say that I prefer the kind of programming we have in Canada from a government-financed, although not influenced, institution such as the CBC, than the relatively low-quality programming, if I may put it that way, that we see being produced continually in the United States, where there is not a government-sponsored television or radio system.

Certainly, there are many programs that we do not like in northern Saskatchewan, but I think it is probably better to have public affairs programs that offend us, and perhaps create some disunity—and I would agree that that happens—than to have a kind of programming that would be equivalent to promotion of the Government of Canada as a sort of propaganda effort to support the government, or something of that sort. That is the alternative, because eventually, if we did not have this counterbalance, Information Canada or some such organization, whatever the party in power may be, would try to influence the people of this country to what in my opinion would be just as dangerous a level.

• (1520)

Therefore, I believe the CBC has made a significant contribution to this country, in spite of its weaknesses. I think it can be said of the CBC that if we did not have it, we would have to invent it. I should just like to add that so far as the area of Saskatchewan that I come from is concerned, with all due respect to my colleague, we are relatively happy with the service provided by that organization.

Hon. Edward M. Lawson: Honourable senators, I want to make a brief comment about the CBC. Senator Buckwold has touched on some of the reactions that we have in the west, and I have mixed views about many of the good things that the CBC does, and some of the bad things. Perhaps the criticism heard most in the west is that the title should be changed from the CBC to the TBC—the Toronto Broadcasting Corporation. I do not mind its being a propaganda vehicle as long as the propaganda is from all centres across the country, and teaching and preaching a little unity from all centres. But it seems to us—and this may be an unfair criticism—that the bulk of the programming and, indeed, the control of the programming, is centred in Toronto. I would be most interested in finding out—and perhaps Senator Davey or somebody else could tell me—the percentage of programming that is done in Toronto, Montreal, Vancouver, Edmonton, and other centres across Canada.

[Hon. Mr. Buckwold.]

Hon. Mr. Davey: The criticism that Senator Lawson has made is one that has been made in the report of the Special Committee on Mass Media, so I understand the point he is making. I think the corporation is attempting to do something in this area by moving production facilities out of Toronto and Montreal.

Perhaps now is the time for the CRTC, in addition to insisting on Canadian content, to insist on regional content. In other words, there would have to be a certain percentage of the programming produced in various centres throughout the country. I take your point, Senator Lawson, and I agree with it.

Hon. Mr. Lawson: I do not think I need to pursue it any further other than to point out that that is an area where a committee of this house could function to amplify on that. The immediate complaint, when you are talking about spending $60 million more on facilities in Toronto, is going to be that Vancouver still operates out of an old automobile warehouse, where I think some good programming is done under terrible conditions. It does seem that somebody is not moving in the right direction to dilute this concentration in the one area. I would be happy to support any type of program that would develop, as Senator Davey said, a more regional concept right across the country.

Hon. John J. Connolly: I think that Senator Beaubien can certainly go home feeling that he has had a good week. He stimulated a good debate last evening, and he has done the same thing today.

Honourable senators, I do not propose to engage in a discussion about the merits or demerits of the CBC or any broadcasting facility in this or any other country. However, I do want to say a word about the functioning of the Finance Committee.

We should keep the function of this committee in perspective. It is only for six or seven years that the committee has been meeting on a regular basis to examine the Estimates and the supplementary Estimates as they have been brought down and tabled in this house. The program that has been agreed to through these years has been a very helpful one. I think that should continue to be a regular part of the work of the Senate. Were it not for that, problems of the kind raised by Senator Beaubien, and other senators who have participated in the debate this afternoon, might never have come up. Therefore, I say that the regular work done on the Estimates by the Finance Committee of the Senate should continue to be done.

It is my view that special studies, whether concerned with the CBC or with a ferry company, which I think Senator Beaubien mentioned, or other projects that involve huge expenditures of money, are perfectly within the competence of this committee. It can examine any specific item in the Estimates, and make a special study. I do not think there can be any question at all about that. The very fact that the Special Senate Committee on Mass Media did look at the CBC indicates that there is a competence in this house to do what Senator Beaubien and others have suggested. But I plead with all honourable senators not to push the Finance Committee into a special area of investigation of such projects to the disadvantage or exclusion of the general work which it does in connection with its overview of the Estimates.

Hon. Eric Cook: Honourable senators—

The Hon. the Speaker: Honourable senators, if the honourable Senator Cook speaks now, his speech will have the effect of closing the debate.

Hon. Mr. Flynn: That is too sad.

Hon. Mr. Cook: Honourable senators, I am in some doubt as to whether you are going to listen to my program or turn me off. At the outset, let me state that I do not feel I am in a position to do justice to the question asked by the Leader of the Opposition and indeed, if I were to try, I would probably mislead honourable senators. Therefore, if it is agreeable to Senator Flynn, I would like to refer his question to the proper authorities and have the answer sent to him, and also placed on our record.

I am indebted to all honourable senators who have taken part in this debate, and particularly to Senator Grosart and Senator Beaubien for their excellent and knowledgeable contributions. While I am not always in agreement with their views, I am bound to say it is always a pleasure to listen to them when they speak. Whether a particular government spends our money wisely or unwisely is, of course, a matter of opinion, but it seems to me that all we can do in this chamber is to hope for the best, and in the meantime, as Senator Grosart, Senator Beaubien and Senator Manning have suggested, to continue to criticize the Estimates with a view to ensuring as far as possible that due economy is exercised.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Cook: I do not know whether it is desired that third reading of this bill should stand until tomorrow, or whether honourable senators would consent to third reading now.

Hon. Mr. Flynn: It makes no difference since we shall not have royal assent until tomorrow. However, I suggest, since it is not intended to give the bill royal assent today, that we should follow the rule.

Hon. Mr. Martin: Agreed.

Hon. Mr. Flynn: This should be the normal practice, but in this instance I will not object if the honourable senator asks leave.

Hon. Mr. Cook moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

• (1530)

APPROPRIATION BILL NO. 2, 1972

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Cook, for the second reading of Bill C-176, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

Hon. Allister Grosart: Honourable senators, I might say at the outset that the comments which I made on Bill C-175 apply to the bill now before us. This bill, of course, deals with expenditures for a different calendar year. The previous bill disposed of the supplementaries for 1971-72. In this bill we are being asked to grant interim supply for 1972-73.

Since Senator Cook has explained this bill in his usual competent manner, and because this is a bill dealing with interim supply I do not intend to comment at any length on it. Interim supply, of course, is a necessary part of the structure of the Estimates and the public accounts.

This is a situation where we are granting interim supply before Parliament has had an opportunity to examine the proposed expenditures. As I indicated in my earlier comments, this is a very serious problem for Parliament in the control of supply. It is all very well to say that this is merely an interim supply bill and there will be all kinds of opportunities to continue examining the items in these Estimates. However, the fact of the matter is that we are granting money by way of an appropriation bill which is an act of Parliament, and therefore approving not only the activities indicated in the votes contained in this bill, but also the amounts to be spent. Obviously, the Senate will not examine the Estimates before the money is granted. We will examine the main Estimates in due course, however, after some of the money has been spent. This same situation will apply in the House of Commons. They will not receive the reports of all the committees which are examining these Estimates until May 31. Unless these Estimates can be moved to an earlier period, we will be dealing with interim supply bills such as this for a long time to come.

The estimate of spending intentions which are covered by these Estimates do not include all of the spending of the government, yet they amount to $16.4 billion for last year. We began the year at $15.1 billion and added by way of supplementaries $1.3 billion. I notice that in Bill C-176 we begin at $16.5 billion, which is up one point from $16.4 billion. Who can predict where we will wind up at the end of the year? We will have supplementary estimates, and my guess would be that by the time all the figures are in we will have set an all-time record budget close to $18 billion. There is no way for us to know what may come to us by way of supplementaries. Certainly if we add some of these items which are government spending but which are not covered by the Estimates, the total figure of federal government spending will be around $18 billion next year.

As Senator Cook has suggested, the bill is in its usual form with the usual guarantees. I see no reason why

consideration of this bill should be delayed. In due course the committee will turn its attention to the main Estimates.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read a third time?

Hon. Mr. Cook: Honourable senators, I move that this bill be placed on the Order Paper for third reading at the next sitting.

Hon. Mr. Flynn: We may wish to raise the CBC issue again.

Motion agreed to.

SCIENCE POLICY

CONSIDERATION OF VOLUME II OF REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, March 23, the adjourned debate on the consideration of Volume II of the Report of the Special Committee on Science Policy, tabled in the Senate on Thursday, February 24, 1972.

Hon. Andrew Thompson: Honourable senators, I should like to join with the other committee members in paying tribute to the extraordinary talents and abilities of our chairman. He has been an inspiration to us. The recognition which the two volumes of the report have received throughout the world results from his creative direction.

I also compliment the two men who are of great assistance to our committee. I refer to Mr. Pocock—I do not think I exaggerate when I say he is a walking encyclopedia of science knowledge—and Colonel Ostiguy, our able administrator, who withstood the various pressures in the publication of this report with calm confidence.

I have been assigned to speak on the first chapter of Volume II of the report entitled "Challenges and Opportunity for Science and Technology." This chapter is intended to serve as a general introduction and background in an endeavour to make the public more aware of the crucial importance of science and technology for the future of Canadians and mankind in general. Today research and development are recognized as a vital ingredient to the bloodstream of an advanced society. In Canada, the total expenditures on R and D have increased by an average of 15 per cent a year since 1940—from $20 million a year to more than $800 million by the year 1967. If the present trend continues, they can be expected to rise to as much as $4 billion annually by 1980. It has been estimated that $50 billion annually is being devoted to research and development throughout the world. According to Aurelio Peccei, an Italian economist and industrialist, for Europe and the United States these expenditures will amount to $73 billion per year by 1980.

• (1540)

We are long past looking at scientists as cultural adornments that work in cellars and attics. Oliver Wendell Holmes made the remark that science is a good piece of furniture for a man to have in an upper chamber, provided he has common sense on the ground floor. Today, however, throughout the world there is a recognition of the importance of science to the standard of living and the national objectives of every country.

Chairman Mao's little red book states:

> Natural science is one of man's weapons in his fight for freedom. For the purpose of attaining freedom in the world of nature, man must use natural science to understand, conquer and change nature, and thus attain freedom from nature.

So man, the discoverer, the creator and the entrepreneur, backed by billions of dollars in investment, is pursuing a relentless ambition to deliberately and radically change both the physical and natural environment of the earth, and to liberate himself from the limitations of nature. Unprecedented numbers of scientists are battering down the walls of the unknown, and presenting a proliferation of new frontiers in knowledge for us to use or abuse. Senator Cameron has spoken of this tidal wave of knowledge, and the necessity for Canada to create, to use his words, a dynamic, growing and innovative scientific and technolgoical information system.

I think it is worth repeating that 90 per cent of all scientists who ever lived are now alive. Kenneth Boulding, an economist, in his lecture to the Nobel Conference in 1966, said:

> The world of today is as different from the world in which I was born as that world was from Julius Caesar. I was born in the middle of human history. Almost as much has happened since I was born as happened before.

There are many historians who agree with Professor Herbert Butterfield that for the western world the scientific revolution "outshines everything since the rise of Christianity and reduces the Renaissance and Reformation to the rank of mere episodes."

There are two extreme positions on this profound scientific and technological revolution. One position emphasizes that it represents the unique opportunity of modern man. The other fears that the ascendancy of scientific mode of thought will undermine the traditional values, ideas, and institutions of civilized society. Let us recall that most of western man's religions, philosophies, political ideas, and institutions are the legacy of his agrarian past, and the fear relates to knowledge that accumulates faster than the wisdom to manage it.

To give an example of the sweep of knowledge and the changes to our environment by technology which happen every day, I read the following in the *Globe and Mail* today: "GO train to Georgetown by early next year"—this refers to a commuter transportation system that is being extended from my own city, Toronto, with all the ramifications it will entail. There is discussion of hydro routes and the implications, and an article headed: "Testing possibility of climate control"—a discussion of the St. Lawrence River and how changes to the icecap would have an ecological effect in addition to blocking the movement of shipping during the winter.

The same paper reports "the development of a laser beam so powerful that it can evaporate any known material." Being so used to reading of new innovations, I almost missed this: "The Soviets are launching a spacecraft that will land on Venus." Another headline states:

"Protein factor needed for growth of cancerous tumor, surgeon says." And yet another reads: "Doctor warns of cancer link with hormone." A talk by Prince Bernhard is reported which suggests that "900 species of animals and 20,000 plants are in danger of extinction." In the same edition a headline speaks of "slick lickers" to clean up oil, a new approach to cleaning up oil on the oceans. On the same page is a report of an organization of oil companies to carry on research connected with exploration for oil.

Turning from the environment to other areas, the paper contains a discussion of the shorter work week, the whole change towards leisure time, and our pattern of employment. There is an item on the guaranteed income in the United States. Finally, but not least, there is a report of a speech by Senator Lamontagne containing criticism of top management with respect to innovation.

That was the news just for today of this tidal wave of scientific and technological innovations that is sweeping over us.

In the first chapter of this volume of our report we considered both the benefits and perils of science and technology. Prior to discussing the "two faces," however, I would like to stress that our committee distinguished sharply between science, technology, and innovation. We stated that the natural fruit of science, which is knowledge, and its impact on society can only be beneficial. We also pointed out that technology can be good or bad, or both, when it is transformed into innovations. Dr. Von Karman, who was the first recipient of the U.S. Medal of Science, stated that "the scientist explores what is, the engineer creates what has not been."

• (1550)

In an article appearing in *Impact*, Harold Foecke extended this distinction, explaining that the scientist works from the particular to the general, striving to discover the relationship which explains many specific cases, and the engineer brings generalization to bear upon particular problems. The scientist asks why, and knowledge is essentially independent of any value system; but the engineer asks how, and should work within a value system.

I make this point of clarification because I want it understood that the committee does respect the essential independence which the scientist must bring to his research. It may appear to some that the report stressed the perils rather more than the potentials. But perils must be effectively evaluated and dealt with, otherwise the potentials might well remain unrealized.

Let us look at some of the benefits. We listed the overall benefits of increased productivity in the factory and on the farm. This rising standard of living results in a continuing trend away from working with things toward working with and for people and, of course, increased leisure time. Six per cent of the labour force of the United States produces food for that country's population of 200 million, plus the 160 million to whom food is exported. Today there is "the green revolution" in which new types of grain have many times the yield per acre of previous strains. Science has brought a revolutionary change to agriculture and has opened up new processes in the food industry.

Biochemist Marvin Johnston of the University of Wisconsin stated:

> Our ancestors domesticated various plant and animal species in the prehistorical past, but microorganisms were not domesticated until very recently, primarily because man did not know of their existence.

Japan today has a particularly advanced food industry based upon microbiology. Much of its food industry is based on processes in which bacteria are used. Microbiology is used in the large scale production of vitamins, enzymes, antibiotics, citric acid, and other useful components. Over 25 major United States oil companies are attempting to develop an economic way of producing protein from petroleum. Sidney Katz, in an article in the Toronto *Star*, reported on the work of Dr. John McNab, a Canadian scientist with Esso who has been working on S.C.P., a new food which is manufactured by feeding hydrocarbon petroleum to bacteria. Mr. Katz reports that theoretically, under ideal conditions, a single microbe, which weighs one billionth of a gram, could grow to be 14,000 times the weight of the earth within one week.

Dr. Magnus Pike states, "The scientific knowledge of how to make food synthetically is already available . . . several individual amino acids are already manufactured and there would be no major problem in synthesizing the 20-odd which comprise the components of beef protein or egg-white." Eventually we shall learn to do without nitrogen fertilizer, which is a grave source of pollution, by developing plants which can extract nitrogen from the air.

The benefits of this green revolution, this revolution in food processes, should be apparent when we consider that half of the three and a half billion men, women and children who inhabit the globe are not being fed adequately, and within 35 years the world's population will increase to seven billion.

Let us consider another benefit of science and technology—the eradication of pestilence. Microbiology, combined with clinical research, has drastically reduced the danger of polio, smallpox, diphtheria, typhoid fever, plague, and malaria. A breakthrough in medicine, which is compared to the splitting of the atom, is the discovery of the structure of DNA and the genetic code by James Watson and Francis Crick. As our report states:

> This new development in the life sciences holds the promise of curing such dread diseases as cancer, correcting the genetic defects that perhaps account for some 50 per cent of human ailments, expanding the abilities of mind and body, and ameliorating the erosion of old age.

Mongolism, which occurs once in every 600 births, and hydrocephalus, or water on the brain, are now within reach of being checked. Last week, in the *Globe and Mail*, Dr. Borstein was quoted as predicting a cure for multiple sclerosis in five years.

Our report lists revolutionary changes in many other areas, such as transport, where today's aircraft cross the Atlantic in one five hundredth of the time taken by Jacques Cartier.

There have been changes in communications. Today, for example, one TV channel can transmit on a continuing

basis, every word and illustration printed in every newspaper, magazine, journal, and book throughout the world as they are published. In France already Europe's first medical journal is being distributed in the form of a video cassette. I mention space technology, observation satellites, nuclear power, computers, and cybernation. There will be astounding and awesome benefit to mankind from the permanent scientific revolution during this decade. We all remember Von Braun's answer to a question respecting the importance of moon flight:

• (1600)

> I think it is equal in importance to that moment in evolution when aquatic life came crawling up on the land.

Let us look at the mysteries of the depths of the oceans. Dr. F. N. Spiers, head of the Marine Physical Laboratory of the Scripps Institute of Oceanography, says that within 50 years "man will move onto and into the sea—occupying it and exploiting it as an integral part of his use of this planet for recreation, food, waste disposal, military and transportation operations and, as population grows, for actual living space."

There are over 600 companies in the United States looking at the underwater wealth. The seas cover two-thirds of the planet's surface. Today Japan extracts 10 million tons of coal a year from under the sea and, in addition, there is oil, gas, diamonds, sulphur, cobalt, uranium, and tin among other resources to be harnessed. Man is learning to master the depths of the oceans. Dolphins are being studied to ascertain whether they can carry tools, ward off sharks, and herd fish. There is a whole new concept for the farming of fish. Just last week I read that the United States is retiring a secret team of porpoises which they had trained to detect communist frogmen in Vietnam. Scientists are working on artificial gills for underwater living. General Electric claims that these gills may furnish air for the occupants of underwater apartments and hotels.

Weather is another example. Weather modification is a reality, states the American Meteorological Society. The National Aeronautic and Space Administration is studying the concept of a giant orbiting space mirror capable of reflecting sunlight on the night-shrouded parts of the earth.

In our report we list some of the developments that a group of scientists predict will occur by the year 2000. Let me just read some of those: Economically useful desalination of sea water—think of what that will mean to many parched areas of the world—automated language translation, new synthetic materials for ultra light construction, controlled thermonuclear power, economic feasibility of synthetic protein for food, widespread use of sophisticated teaching machines, and automated libraries looking up and producing copy.

Let me read from another time table of genetic developments which is an updated version of the predictions made two years ago in the Rand-Douglas studies and includes some items from G. R. Taylor's *The Biological Time Bomb*. The dates are those of technical achievement, and not of widespread implementation. By the year 2000 there will be deep freeze embryos stored and insured against nuclear holocaust and also for interplanetary colonization; artificial placenta and mechanical baby factory; effective control of most human defects through genetic manipulation; extensive transplantation of limbs and organs; single-celled life created from chemicals off the shelf; intelligent animals produced to do menial work; and the first cloned, or xeroxed, people—it will be possible to make 50 or 50,000 copies of an Einstein or anybody else. Of course, such a timetable will and should raise fundamental questions. Is there a standard of life? What is man? Who will decide what qualities to preserve, and by what standards? Who will make the choice between life and death?

The late C. S. Lewis more than a quarter century ago wrote, "Man's power over nature is really the power of some men over other men with nature as their instrument." Eric Fromm wrote that with our technological revolution "we are at a crossroads, one road leading to the completely mechanized society with man as a helpless cog in a machine . . . and the other to renaissance of humanism and hope—to a society that puts technique at the service of man's well-being."

Indeed, as I have been reading these benefits I am sure honourable senators have been asking other questions: Are we Canadians tuned in to derive the benefits from the technological advances which are taking place throughout the world such as in health, housing, transportation, and communications? What effect will new discoveries in agriculture and the synthetic production of protein do to wheat exports? What effect will the new methods in fishing and the exploitation of the continental shelves of the oceans have on Canadian maritime employment? What effect, indeed, will the computer industry have on the Canadian labour force? These are crucial questions which we must face, particularly when we think of the growth in our labour force. Between 1965 and 1980 we will exceed by over half a million the labour force growth expected in Britain, West Germany and Italy combined, and equal the entire existing Swedish labour force.

There are two faces to the scientific and technological revolution. Francis Bacon is often quoted as having established the legitimacy of the scientific cause, but I sometimes feel some people have not read his essays. I am thinking particularly of *New Atlantis* in which he describes the island where the fathers of Solomon's House—who were the scientists and the leaders—reserved to themselves the right to disclose certain of their findings and to withhold others.

• (1610)

Again, back in 1663 there was concern about scientific discovery. Richard Hooke, the secretary of the Royal Society, may have had some doubts when he urged his fellow scientists to confine themselves to experiments with nature and avoid "meddling with divinity, metaphysics, morals, politics, grammar, rhetoric or logic."

There are perils in opening the Pandora's box of science and technology. Barry Commoner, in *The Closing Circle*, places the blame for the environmental crisis squarely on technology. He points out that after 1946 the population of the United States rose by 42 per cent, but pollution, on the other hand, rose by as much as 2,000 per cent. He blames the pollution on synthetic fibres, aluminum, plastics, and nitrogen fertilizers. North Americans throw away solid

waste each year which could build a wall 75 feet wide by 60 feet high along the Canadian-United States border. Canadians produce over 673 million tons of solid waste every year. In the City of Toronto 120,000 tons of paper garbage are collected each year.

These problems of urbanization will increase. It is estimated that from 1920 to the year 2000 the urban population in developing countries will have grown from 100 million to 2,000 million. By that time, 38 per cent of the world population could be urbanized.

Life magazine noted in 1970 that scientists have solid experimental and theoretical evidence to support each of the following predictions: in a decade urban dwellers will have to wear gasmasks to survive air pollution; in the early 1980s air pollution, combined with a temperature inversion, will kill thousands in some United States city; by 1985 air pollution will have reduced the amount of sunlight reaching the earth by one half; in the 1980s a major ecological system—soil or water—will break down somewhere in the United States, and new diseases that humans cannot resist will reach plague proportions.

Of course, the threat to the stability and livability of the environment is not confined to the area of the United States. On the high seas, 70 per cent of the free oxygen comes from plankton in the oceans. Let me read from *The Observer* of December, 1971:

> Atlantic plankton pollution shocks scientists: Plankton samples throughout the whole Atlantic Ocean have been found to contain such unexpectedly high levels of industrial pollutants called PCBs that marine biologists are pressing for an immediate international conference.

We are sadly aware of the pollution in our own rivers and lakes. The discovery of such pollution is no longer a front page story. Indeed, we no longer read on the front page about the high mercury content in game birds or fish, or of Lebanese people who have been poisoned by what could be Canadian grain that has been shipped to them.

It is also disturbing to learn that what are intended as benefits from our advanced societies to underdeveloped nations may be dangerous Trojan horses. In *Science Forum* for October 1971 there is a chilling account by Dr. Heyneman entitled "How technical aid programs could destroy the Third World." He describes how the enormous dams that have been built on the Volta in Ghana, the Zambesi and the Nile, in East Africa, Egypt and the Sudan, have disturbed the course of nature. For example, the Nile, now freed of silt, which has been held back in a dam, races downstream undercutting bridges and eroding banks. Now millions of tons of fertilizer are required to replenish natural sources which for centuries were fed by the annual Nile floods. The Nile's load of sediment into the eastern Mediterranean is gone, and so are 18,000 tons a year of fish that fed on it. Disease, particularly the dreaded bilharzia—bloated livers—which affects young and old, the modern plague of Egypt, is spread, caused by the snails that now thrive in the sluggish water held by the dam. That spread of disease has affected between 200 and 250 million people, and according to the article it is directly attributable to damming the Nile.

25312—17½

In 1969 the Conservation Foundation in Washington reported that in San Joaquin, Bolivia, a DDT malaria control program aimed at mosquitoes had the side effect of killing off the numerous village cats. In the absence of the cats there appeared an invasion of a small mouse-like mammal. This creature, unbeknown to anyone, harboured the black typhus virus. Before this was discovered, and the former chain could be restored, more than 300 villagers had lost their lives.

Senator Lamontagne, in his address to the Convocation at the University of Toronto last June, warned of this. He said:

> Nature can revenge itself, once its own equilibrium has been disrupted, and technology can have negative side effects on man and his environment far exceeding its beneficial contribution.

He pointed out this quandary, that advanced countries are in the vicious circle of affluence, generating the endless need for further affluence, producing an economic growth explosion. On the other hand the developing nations, like the advanced countries, will be condemned to an exponential law of growth, although in their case the explosion will be population rather than economic. The "green revolution" increases life expectancy, which results in population explosion rather than in rising living standards.

Senator Lamontagne, in his report, pointed out that in the year 2000 the annual per capita income in the United States is expected to be 115 times higher than in India. That tragic abyss of standards of living between the quarter affluent and the three-quarters hungry on this globe will be more vividly apparent to both sides with the advanced means of communication. Senator Lamontagne raised doubts whether affluent nations would provide the required accelerated assistance to the other nations, and, if they did, whether the poor nations could absorb such massive assistance; whether, to check the pollution and the food and the overpopulation crisis, our western society will accept slower or no growth.

• (1620)

In *Limits of Growth*, the report Senator Grosart mentioned, written by an internationally eminent group of scientists belonging to the Club of Rome, they are similarly bleak in their prognosis of man's future. Let me illustrate our problem. In their report, there is a description of a French children's riddle about a pond with a water lily in it. The lily doubles in size every day, and in thirty days it would cover the entire pond, killing the other creatures in it. The owner decides to cut the plant back when it covers half the pond. The question is: when will that be? The answer is the 29th day, so the owner has one day in which to save the pond. Like the lily in the pond, the earth's population is growing exponentially, doubling about every 33 years. So are pollution, the demand for food, and the use of mineral resources.

For example, it took the entire history of the world until the mid-nineteenth century to amass a population of one billion; 80 years to reach a second billion; 30 years to reach a third billion; and in the year 2000 there will be 6 billion. How long can the population and industrialization continue to grow on this finite planet? Mr. Meadows, the author of this M.I.T. report *Limits of Growth*, comes to

the conclusion that "all growth projections end in collapse."

In January, 1972 *Blueprint for Survival* was published. It also projects disaster, and argues for drastic action to end exponential growth. This report, like the other, is supported by 33 of Britain's most distinguished and eminent scientists. They want a stable society, a declining population. They want heavy new taxes on raw materials, tax penalties on industries which consume amounts of nonrenewable natural resources, and a tax on throw-away products. Probably their most controversial request is that of decentralization and de-urbanization, a return to village industries and village communes.

Most newspapers in Britain took *Blueprint for Survival* very seriously. The *Times* said "its thesis was too plausible to be dismissed." The *Observer* stated:

> We should regard the "Blueprint" not as a prescription for what must be done—but as a warning that we have to think hard about what we are doing.

In the controversy over the suggested solutions, Senator Grosart himself raised the question about maintaining the high quality of life with zero growth. Others have asked if we can expect Asians and Africans to live forever at their low standard of living.

John Maddox, the editor of *Nature*, a highly reputable magazine in Britain, in an article on February 3, 1972, took on all these prophets of doom, reaching back to Rachel Carson's *Silent Spring* and working through Dr. Paul Ehrtilch's *Population Boom*, and from there he went on to criticize the authors of the *Blueprint*. He argued that growing countries will emulate the advanced societies by a matching decline of fertility, and that the price mechanism will take the edge off scarcity and encourage substitution. He decried the practice of scientists in crying "Wolf."

Let me add that we ended the chapter on "Challenges and Opportunities" with this comment by René Dubos:

> Whether we want it or not . . . we shall soon be compelled to reformulate the philosophy of quantitative growth which has governed the Western world since the Industrial Revolution.

It would be quite wrong to suggest that the resolution of such a dilemma should be left to experts who have identified the problems. The decisions required are political. They are for all of us. But it is important that the scientific community is speaking out.

Our report recommended the adversary method in order that we could assess the evidence presented from the conflicting viewpoints of scientists.

It is interesting to see that Charles Leach, science correspondent for the *Observer Review*, is using this confrontation approach—scientists who are gloomy in their predictions against scientists who are optimistic. I think it is important that the scientists are speaking out.

C.P. Snow, an eminent author in science, describes scientists as having "the future in their bones." I am not sure that the scientists will retain the confidence of the public as oracles of wisdom if they apply exaggerated claims. But Stafford Beer, Professor of Cybernetics at Manchester University, suggests to us:

> We (the scientists) must sacrifice both dignity and scientific nicety and be turned into cathode ray buffoons simply in order to alert our fellow human beings.

There were many scientists in the early decades of this century who thought that any social problems resulting from their researches could somehow take care of themselves. Nobel thought he had made war unthinkable with his discovery of dynamite. We have his famous remark to his pacific lady friend:

> On the day that two army corps can mutually extinguish each other in a second, all civilized nations will surely recoil with horror and disband their troops.

I think that the active interest by the scientific engineering and technological community of Canada to the second volume of our report indicates their sense of responsibility towards the establishment of a framework within which rational science policies and priorities can be developed. There is an obligation also on the part of us, the laymen, to develop more awareness of the nature of science in order to become competent to make sound judgments of many public policy issues.

Ralph Lapp, a scientist turned writer, states:

> We are aboard a train which is gathering speed, racing down a track on which there are an unknown number of switches leading to unknown destinations. Most of society is in the caboose looking backward.

Our committee has recommended that we should start looking ahead. Our committee has recommended that the Economic Council should enlarge its activities and establish a special Committee on the Future with broad terms of reference, and looking more specifically to 1985 and the year 2000.

• (1630)

If I may, I should like to read from a release from the Economic Council of Canada concerning the Senate's recommendation. It states:

> The Council agrees in principle with the recommendation and will devote more emphasis to the long-term future in its work. As a first step, the Council will concentrate on future technological change in the broader context of the evolving social and economic environment. In this work, the co-operation and support of interested organizations, departments and private institutions will be elicited.

The Gordon commission on Canada's Economic Prospects was one of Canada's only systematic and scientific attempts to examine the distant future, but its work was not continued. Canada needs a look-out institution broadly based to examine economic and social matters.

A growing number of scientists throughout the western world are developing a more systematic approach to the future. For example, there is a Commission on the Year 2000 of the American Academy of Arts and Science; a Hudson Institute; a System Dynamic Group of M.I.T.; a Committee for the Next Thirty Years in the United Kingdom; and both France and West Germany have an Institute of the Future. Nearly 100 major companies, including Canadian companies, are taking part in the Hudson Institute's four-year study of the period from 1975 to 1985.

Hon. Mr. Martin: That is a ten-year period.

Hon. Mr. Thompson: René Dubos said that since we make so little effort to study the long-range effects of technological innovations, we are in fact practising, not by intention but by inaction, a kind of biological warfare against nature, ourselves, and especially our descendants.

Our commitment to the future does not just require the gathering of papers by experts; it requires a collective involvement. We must develop a grass-roots and action-oriented approach, if we want not only to predict but also to control our future. That means that we have to enlist the help of voluntary agencies. Organizations of all kinds should become involved. We need, quite literally, to go to the people with a question that is almost never put to them: What kind of world do you want 10, 20 or 30 years from now? In *Future Shock* Alvin Toffler states that "we need to initiate, in short, a continuing plebiscite on the future." Such local groups, in order to answer such questions, could and should be given the technical assistance to provide data on the social and economic costs of various goals, so that participants would be in a position to make reasonable, informed choices among alternative futures.

There is a consternation that develops within a society when it is out of control, and that consternation tends to breed a disillusionment not only with science but with our institutions and our traditional values. There is a tendency to withdraw, to become apathetic, resigned and cynical.

Dr. Jay Lipton of Yale University gave a series of talks over CBC radio in January of 1969. In those talks he stressed that the overriding significance for every post-Hiroshima generation is that they feel trapped and suffocated by technology.

Let me say that we could be the first country in the world to develop such a broadly-based Commission on the Future. That is why we are asking for this. That is why we recommended it to the Senate. We see the Senate as the suitable body for this. It is not, as some people suggest, just an institution of the past but an institution concerned with the present and with the future. Of course, the commission should be made up of as many private and public organizations as possible, because we believe that not only should there be wide participatory democracy but also wide anticipatory democracy. Therefore, our committee recommended that the Senate sponsor a conference for the purpose of establishing a Commission on the Future whose responsibility would be to help as many private and public organizations as possible to forecast, and to build their future not in isolation but together.

It is interesting to learn that over 75 per cent of the scientists associated with SCITEC responded in favour of this recommendation. It is also interesting to note that Dr. Alexander King of OECD singled out that particular recommendation in his comments on the second volume of the report. He said:

> —I particularly welcome the proposals concerning the establishment of a Commission for the Future to help organizations, public and private, to build their futures not in isolation but together. This may well become an essential feature of all national science policies. After all, there is normally a lag of at least 8-10 years between the conception of a new discovery and its first application in the form of a new product or a new process.

Honourable senators, I suggest that as Canadians we can sometimes become rather pessimistic when we see global trends going in a dangerous direction. But on the other hand, if we are able to see the options ahead of us, I am sure that, as a people, we will have no need to panic or jeopardize science and technology and thereby deny ourselves the benefit that science and technology can provide. I believe that as Canadians we can invent our future. I believe further that the Senate can lead the way to the establishment of a Commission on the Future which would be the first of its kind in the world.

Hon. Senators: Hear, hear.

On motion of Hon. Mr. Martin, debate adjourned.

• (1640)

SCIENCE POLICY

SENATE AUTHORIZED TO SPONSOR CONFERENCE TO ESTABLISH COMMISSION ON THE FUTURE

The Senate resumed from yesterday the adjourned debate on the motion of the honourable Senator Lamontagne, seconded by the honourable Senator Thompson:

> That the Senate sponsor a conference to be held in the Autumn of 1972 for the purpose of establishing a Commission on the Future, whose responsibility would be to help as many private and public organizations as possible to forecast and build their future not only in isolation but together, as was recommended in Chapter 13 of Volume II of the Report of the Special Committee of the Senate on Science Policy;
>
> That the Senate specifically assign the responsibility of organizing the said conference to the honourable senators who are now members of the Special Senate Committee on Science Policy and authorize the said senators or a majority of them to incur such special expenses in connection with the said conference as may be necessary for the purposes of the said conference; and
>
> That any such special expenses shall be deemed to be special expenses within the meaning of and shall be subject to the restrictions imposed by Rules 83A and 84 of the Rules of the Senate.

[*Translation*]

Hon. Maurice Lamontagne: Honourable senators, I would like first of all to thank from the bottom of my heart those who participated in this debate and congratulated me in connection with the publication of Volume II.

However, I would like to repeat again, as I have already stated, that this volume is essentially the joint product of the members of the committee.

[*English*]

Honourable senators, in proposing this motion I thought that since the government is now in the process of implementing more than one-third of the specific recommendations contained in Volume II of our report it was about time that this chamber should consider the only proposal we are asking it to approve. I do not intend to make a long

speech, probably not more than five minutes, especially following what Senator Thompson has said about its content and its substance.

The committee has come to the conclusion that the setting up of a Commission on the Future is most desirable to serve as a foundation for a grass-roots movement of anticipatory democracy in Canada, to make available to as many Canadians as possible the research on this subject which is growing so very rapidly in the world today, and which the Committee on the Future now being established by the Economic Council will carry out, and finally to enable the special units on the future to be set up by many individual organizations in our country, to meet at the regional and national level, to exchange views and to attempt to reach a consensus on the economic and social future to form an international perspective.

This concept, as Senator Thompson has said, is new, but the consultations we have had with many private organizations in Canada up to now have convinced us that it would really work, especially in a country like ours. However, because this idea is new, it is not likely to be realized spontaneously without being sponsored by a responsible organization.

In the course of its deliberations the committee rapidly came to the conclusion that the Canadian Government could not sponsor the creation of this proposed commission because we felt that it should be and should remain a private institution. I should like to add, however, that I have had discussions on the subject with the Honourable Mr. Gillespie, Minister of State for Science and Technology, and he told me that the conference proposed in this motion was an excellent and imaginative idea, and that he would like to be associated as closely as possible with it. On the other hand, when we were discussing this new concept, we could not find any private organization that was sufficiently representative of all the different and varied segments of our society to take this particular initiative. That is why we are now proposing that the Senate, with its long-term view, and, as we say so often here, as a chamber of sober second thought, is the best base from which to take this initiative which would probably be without precedent in the activities of this chamber. But I cannot find any better reason for establishing such a precedent than to sponsor a conference for the purpose of creating a Commission on the Future which will be, as Senator Thompson has said, a unique organization in the world and which will give a better opportunity to the diversified elements of our country to meet and to attempt to determine together their respective futures. We have often been accused of being an institution of the past; let us give to our nation another and perhaps more vivid illustration that we can also be forward-looking and that we can launch Canada on the difficult but inevitable path of the future.

Some honourable senators may ask what will be the cost involved in launching such an unprecedented operation. I wish I could answer this question by producing one of those $1 items which were discussed this afternoon by Senator Grosart and to which he is, quite rightly, strongly opposed. I am quite prepared, however, to say that the members of the Special Committee on Science Policy are prepared to go through this new exercise if it is assigned to us in the same conservative way as we have been approaching our general terms of reference up to now. We expect that the people attending the conference will pay their own expenses. We may have to hire a few more people because our present very limited staff will be fully engaged during the coming summer in the preparation of our next volume which I hope will appear early next fall. According to our rules we will not, of course, spend any money unless such expenditure shall have been approved previously by the Senate Committee on Internal Economy. By this procedure the committee will continue to exercise its well-established supervision of expenditures, but there would be the usual additional guarantee that financial responsibility would be preserved by the Internal Economy Committee.

I should like to underline that the investment involved, if this motion should be approved, will be very small compared to the benefits that Canada and the Senate will derive from it.

Hon. Mr. Martin: In other words, the investment will be small but the results will be great.

Hon. Mr. Lamontagne: That is what I said.

That is about all I have to say about this motion, but I should like to add just one more sentence. My expectation is that if this motion is approved, Senator Thompson, young as he is, will live long enough to make another speech in the Senate in the year 2,000 and then praise this chamber for having approved in 1972 the motion which I now propose on behalf of the Special Senate Committee on Science Policy.

• (1650)

Hon. Sidney L. Buckwold: Honourable senators, at the risk of delaying the Senate for a few more minutes, I wonder if I might ask your indulgence to ask some questions of Senator Lamontagne; otherwise, this matter will probably carry over to tomorrow.

I am sure that every honourable member of the Senate supports the enthusiastic principles which have been expounded by the chairman and so ably presented by Senator Thompson in what I consider to be one of the best addresses this chamber has heard in a long time. I feel that before we give approval to this motion the Senate should be advised as to two or three matters which are of concern to me. First of all, I am concerned about the relationship of the Committee on the Future and the Commission on the Future.

Hon. Mr. Lamontagne: Perhaps we could proceed one question at a time so that I do not forget my answer to each question.

Hon. Mr. Buckwold: The report indicates the proposal of two committees, one of which, the Committee on the Future, is to be established by the Economic Council of Canada. Senator Thompson has referred to this fact, but he did not say that the Economic Council was prepared to support such a committee. He indicated that it approved of this in principle. On the other hand, the Senate report states that the commission is to be established to deal with technical studies and forecasts prepared by the Committee on the Future. I am endeavouring to relate the cart to the horse.

Hon. Mr. Lamontagne: I feel that the release which Senator Thompson has referred to is an interim release. I have had two meetings already with the chairman of the Economic Council and I am quite sure that the council have accepted in principle our recommendation. However, they are going to meet later in April to launch this operation. I understand that they will organize a committee of experts to look into the future on a multidisciplinary basis. It will not be an expert organization of economists or sociologists alone, but it will include engineers and systems analysts and anyone who can contribute toward the forecast of the future. Their operation will be well under way in the near future.

However, the commission which we are proposing is only, in part, related to this committee. It will not be involved in research. Its main purpose will be to induce as many individual organizations as possible in Canada to organize their own units on the future and to provide an opportunity for them to meet together and exchange their views concerning the future and to arrive at some consensus. The commission will not be a research organization. It will be a kind of democratic umbrella for all the different organizations which will have established their own units on the future. I would expect the commission, once it is established, to gather all the growing literature which is being produced throughout the world, in the United States, Great Britain, Germany, France and other countries. The Commission on the Future will, in a sense, be complementary to the Committee on the Future which is to be established by the Economic Council of Canada.

Hon. Mr. Martin: The Commission on the Future would bear its own financial costs.

Hon. Mr. Lamontagne: Yes.

Hon. Mr. Buckwold: I am interested in the relationship between this proposed commission and the Science Council of Canada and whether a liaison has been established. Some of the duties and responsibilities of the Science Council of Canada involve the development and utilization of scientific and technological manpower, long-term planning, and technological research and development. I want to be sure that the very important work which is being done by the Science Council of Canada will not be minimized or interfered with in any way by this particular commission.

Hon. Mr. Lamontagne: I am sure that all honourable senators are aware that the Science Council of Canada is a government organization and its exclusive responsibility is to give public and private advice, if it chooses to, to the government on science policy. It has nothing to do with studies on the future. It has nothing to do with the kind of grass-roots movement we are endeavouring to establish among individual organizations in our country. I can assure you that the two operations are completely different.

Hon. Mr. Buckwold: My last question involves the financial aspect of this commission, and this is not only with respect to funds for the conference which it is planned to organize. I presume the Senate would want to have some control over that expenditure. This has been indicated by the distinguished senator. I realize that this new organization is not involved in the financing of research. But, nevertheless, there will be a fairly extensive overhead in order to carry out its functions. The report of the Science Policy Committee indicates the expectation of increased contributions which are to be made by industry during the next few years and the greatly increased allocation of funds for research.

How will this new commission be financed? Is it expected there will be some government participation or will it be financed through the industries and organizations which are involved?

Hon. Mr. Lamontagne: My expectation is that the commission will operate on a relatively small budget, for its main function will be to endeavour to sell this concept of units on the future to private organizations.

• (1700)

We know already that many organizations in Canada, including industry, are very much interested, not only in creating these units but also in this concept which would give them the possibility and opportunity to meet. So we expect that the budget of the commission itself will be relatively small. We also expect that this budget will come from subscriptions made by the various organizations which will be related to the commission.

Hon. Mr. Buckwold: Thank you very much. I wish to conclude by saying that naturally our interest is to make sure that the calling of the meeting is not premature. In other words, I want to be convinced that this fall is the time. I hope that the necessary liaison is taking place to ensure that it would be reasonably sure of success. If we look forward to a Senate participation in sponsoring this, we want to make certain that the results will be up to our expectations. If it is necessary to wait until next spring rather than this fall in order to do the liaison and necessary homework, perhaps this will be required. That is the only reason I raise these questions.

Hon. Mr. Lamontagne: Well, senator, I can guarantee you that this conference will be a success. We will take every step to make it a success. That is why I put the motion so early, in order to enable us to begin the planning and preparation for this conference. If we feel as we proceed that we will not be ready to make it a success next fall, then the honourable senator may rest assured that we will delay the calling of the conference. The whole concept and success of the commission, which we hope will be the result of that conference, depends primarily on the success of the conference itself.

Motion agreed to.

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE
DEBATE CONTINUED

The Senate resumed from Thursday, March 23, consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. Eugene A. Forsey: Honourable senators, when I was speaking on this report on Thursday last, it was all

honey and butter. I was stating my strong approval of the general tenor of the report. I was also speaking with warm appreciation of the splendid work of particular members of the committee. As those particular colleagues listened to me or read what I had to say, they must have felt that it was "Roses, roses, all the way and myrtle mixed in their path like mad." This afternoon, I am sorry to say, I am going to strike a rather different note, because what I want to do today is to start at least—the task may be a long one—but start at least on the points on which I dissented from the conclusions of the report or from various supporting arguments which it adduces for those conclusions.

I am now beginning what I suppose might by courtesy be called my minority report. There is no such thing as a minority report in parliamentary usage, as I understand it. However, a variety of members of the committee have presented their dissenting opinions in writing. I decided to submit mine rather in the form of a speech in the Senate.

The first thing that I take objection to is the very first line in the first recommendation on the first page of the report:

> Canada should have a new and distinctively Canadian Constitution, . . .

I shall deal with the word "new" in a few moments, but first of all I want to deal with the implication that the present Constitution is not distinctively Canadian. This is historically false. I cannot conceive of anything that could be more distinctively Canadian than our existing Constitution, even the basic written part of it, the British North America Act.

In the first place, it is a distinctively and characteristically Canadian combination of a British and an American tradition, of British and American elements. The federal element is, of course, distinctively North American. It did not come from Great Britain, it did not come from France. You can scarcely even say it came from Europe. True, there have been federations in Europe, but I do not think that the federation that we set up here owed very much, if anything, to European example. It owed something, a good deal, to the American example, the example of the United States. To some extent it was a reaction against the American example. The other part of our Constitution, the basic principle of responsible cabinet government is, of course, distinctively British. But this is a distinctively Canadian blend. We take British elements, we take American elements, we take French elements and we blend them together into something that is distinctively Canadian.

Now, for some people the only things that are distinctively Canadian are things that have been here from time prehistoric, the aurora borealis, the Canadian Shield. This, it seems to me, is what they mean by distinctively Canadian. To say, as I think we must, that our Constitution represents a blend of various elements, represents in part a blend of various elements from other traditions or other countries, is not to say that it is not distinctively Canadian. It is merely to emphasize one particular part of our distinctively Canadian way of doing things.

Besides, thanks to the defective teaching of Canadian history in the schools in the last generation or so, a large number of people are now quite unaware of the way in which our present Constitution, the British North America Act, was drawn up. I found this repeatedly during the sittings of the committee itself and it is only a few years back that a jackass of an American reporter, writing in the New York *Times*, declared that our Constitution, which he grossly misdescribed in every other respect as well, was imposed upon us in 1867 by British overlords. I think it is necessary to say with all the emphasis at my command that the British North America Act, except for two very small points which I shall come to in a moment, is exclusively the work of people from what is now Canada and what was then properly described as British North America, Canadian having in those days a narrower significance. The British North America Act is based on the resolutions of the Quebec Conference of 1864 and the Westminster Palace Hotel Conference of 1866-67. At those conferences not one representative of the British government was even physically present, and the resolutions which were drawn up were exclusively the work of the British North American delegates who were present. Not so much as one squeak, not so much as one whisper, not so much as one hint in the resolutions came from the British government.

• (1710)

The resolutions were drawn up. They were taken from the London conference and were embodied in the British act, and the legal draftsmen at the colonial office provided technical legal aid, which, I may add, in retrospect, does not appear to have been quite as efficient or adequate as they thought it was.

What they professed to be doing and did with, on the whole, reasonable success, was to embody in traditional British parliamentary legislative language the conclusions of the conferences held at Quebec and London.

The only things that you can find in the British North America Act which owe anything at all to the British government are two points:

First, the title of the country. The Fathers of Confederation wanted to call it the Kingdom of Canada, but the British government was nervous about this. It was afraid it would upset the people of the United States and the Government of the United States. The British government was naturally and properly anxious to avoid trouble with the United States, especially as in those days war with the United States was by no means the inconceivable thing that it is nowadays. In fact, in the years just before Confederation there had been very serious risk of war between Great Britain and the United States, as we all know.

So the British government, shaking in its shoes, its knees knocking together with fright, said, "Oh, you can't call it the Kingdom of Canada. Oh, no, no, no, we can't do that. You have got to call it something else." So Sir Leonard Tilley, reading his Bible that morning, as was his custom, reading the 72nd Psalm, read, "He shall have dominion also from sea to sea, and from the river unto the ends of the earth." It seemed to him almost literally a heaven-sent solution to the problem of the title or name of the country, because, after all, here was this new federation, this new nation, this new nationality, which the Fathers of Confederation felt they were creating, which would stretch from the St. Lawrence River to the Arctic,

"from the river unto the ends of the earth," which was already going to touch the Atlantic and which they confidently presumed would go clear to the Pacific—"from sea to sea and from the river unto the ends of the earth," the very thing which is embodied in our coat of arms sculptured over the main door of this building, *A mari usque ad mare*, from sea to sea. Here was this conception embodied in the old Anglo-French word "dominion" which had fallen out of use in French, but which was preserved in English.

So the Fathers of Confederation went back to the British government and said, in effect, "All right, if we can't have 'kingdom,' give us 'dominion,' " and the British government acquiesced. So our official title is not the word "kingdom", which we wanted originally, but the substitute word, "dominion."

It is worth noting, incidentally, that when the Secretary of State for the Colonies presented this proposal to the Queen—because the delegates at Quebec and London had asked that the Queen should determine the style and title of the new federation—he did so in a letter of February 7, 1867, to the Queen's private secretary, General Grey, in the words:

> It is a new title but intended to give dignity to the federation, and as a tribute to the monarchial principle, which they earnestly desire to uphold.

In other words, he felt—and I shall come back to this at a later stage—that the word "dominion" embodied the same kind of principle as the word "kingdom," which they had wanted to have as the original title of the country.

The second point on which the British government had some influence was what is now embodied in sections 26 to 28 of the British North America Act. The original proposals for federation contained no solution to the problem, no provision for the problem, of an impasse between the two houses. If the Senate threw out something which the House of Commons had passed, or vice versa, then that was the end of it. The British government was worried about this. It had had experience of cases in which the House of Lords had rejected measures passed by the House of Commons. It felt there should be some kind of provision for getting over a deadlock between the two houses, and it said so to the British North American delegates and, in fact, proposed a provision which they turned down.

After further negotiations, they came forward with what is substantially embodied now in sections 26 to 28 of the act, and said to the British government, "How will this do?" and the British government said, "That meets our objection."

Even there, what the British government proposed did not get in. On the matter of the title of the country, they proposed nothing, as far as the record shows. On this, they proposed something which was turned down. The two points therefore which were not embodied in the original resolutions of Quebec and London by the British North American delegates are points on which we have got what our own delegates decided upon, not something that was imposed upon us by Great Britain or anybody else.

There is one other feature of our Constitution where the wishes of the British government did come into effect. This is not to be found in the act itself, but in the letters patent, because it is a matter of the Royal prerogative.

The British North American delegates proposed that the prerogative of pardon should be exercised by the lieutenant governors. They thought it would be too difficult to have it exercised by the Governor General in a day when communications were so sparse, when it took so long and was so hard to get from one part of the country to the other. So they said it really ought to be in the hands of the provincial lieutenant governors.

But the British government jibbed. They said, "This is part of the Royal prerogative. It should be exercised only by the direct representative of the sovereign. It should not be exercised by mere officials appointed by the Governor General, by subordinate persons" (as the Lieutenant Governors were intended to be), "representatives not of the Crown but of the Governor General."

Of course, I am well aware that in the decisions of the judicial committee of the British Privy Council—notably in *The Liquidators of the Maritime Bank of Canada v. the Receiver General of New Brunswick* in 1892—the judicial committee promoted the lieutenant governors into representatives of the Crown for provincial purposes.

But the British government said, "This must be vested in the representative of the Crown"; and that is where it is vested. The power of pardon, except, of course, for purely provincial offences, is vested in the Governor General as representative of the Crown.

So when people talk about the British North America Act being a British statute, which it is, and add that it is something that was imposed by the British government or the British Crown, they are talking through their hats. It is a Canadian Constitution, almost 100 per cent Canadian, 99.75 per cent, you might say, if we get into the matter of decimals as Senator Hayden did last night.

That is the first point that I wanted to make. I object strongly to the implication that what we have now is not distinctively Canadian. It may be good, bad or indifferent, but to say that it is not distinctively Canadian is to fly in the face of history, to fly in the face of fact.

• (1720)

Hon. Mr. Flynn: Even with the obligation to go to Westminster for amendments to it?

Hon. Mr. Forsey: The Fathers of Confederation proposed to put nothing in it in the way of an amending clause except under section 92(1), for the constitutions of the provinces, except as regards the office of lieutenant governor. Why they did not put in an amending provision, I do not know. There are various surmises that various people have made. I have made some myself. But they did not put it in. It was not because the British Parliament said they could not put it in. I see no reason to suppose that if they had put something in the British Parliament would have jibbed at it, and for this very excellent reason, which anticipates what I was going to say later: Sir John A. Macdonald—and I will give the quotation when I come to the appropriate point—laid it down very firmly in the Confederation debates in the Parliament of the Province of Canada in 1865, that if the delegates had wanted to

separate entirely from Great Britain he was perfectly certain that there would have been no difficulty whatsoever.

The British Parliament and people, he said, would have been very sorry but there would have been no intervention by the British Parliament or people to stop the federating provinces from seceding entirely from the British Empire and breaking any connection with the Mother Country. If he was convinced of that, as he most certainly was, and he took great pains to state it very explicitly and at great length and very emphatically, then *a fortiori*, I think if anyone had said to him "Well, what about an amending provision?" he would have said "Well, certainly, if you want an amending provision we can have it."

As Senator Flynn has raised the question I will give the house the benefit of my views, such as they are—and they are substantially those also of the eminent constitutional expert, Professor Alex Brady of the University of Toronto—on why there was no amending provision. In the first place, they were not used to federation. In the second place, they expected the provinces to sing very small indeed. They were intended to be hardly more than glorified county councils. In the third place, they had been accustomed—I see Senator Flynn shake his head. I am prepared to argue that if he wants to. It is a little aside from my main point of argument, but if someone wants to argue it I will argue it, and argue it until the cows come home.

Hon. Mr. Flynn: I was thinking of the attitude of the Privy Council.

Hon. Mr. Forsey: I am not talking about the Privy Council. There you have a British influence coming in, if you like. There you have those old scoundrels, those old rascals, as my late friend Mr. Cahan used to call them, the judicial committee of the Privy Council messing up the work of the Fathers of Confederation. However, I do not want to be deflected too much from my main argument.

The third thing was that the provinces had always been accustomed, if they wanted an amendment to the Constitution, simply to get in touch with the Government of Westminster and say, "This part is not working properly; make an amendment." And the British Parliament, unless it was something that trenched upon foreign affairs or something of that sort, would say "Yes, certainly, sorry, we made a mistake," or "We forgot about that." I think it is perfectly evident that they clearly expected that they could get an amendment to the Constitution any time they wanted to merely by asking the British Parliament to make an amendment, and that this is so is further substantiated by proceedings in connection with the first formal amendment to the Constitution, the British North America Act, 1871, where the executive government, without even reference to Parliament, asked the British Government to submit an amending bill to the Parliament of the United Kingdom, and it was done. It was only when the Liberal opposition of that day objected and said, "You should have Parliament making this request, not just the executive government," that the government turned around and said "Oh, yes, sorry," and got an address passed by the two houses, asking for what had already been requested by the executive government.

Indeed, until 1907, on none of the amendments to the British North America Act were the provinces even consulted. In 1869, when better terms for Nova Scotia were proposed, providing for more money for Nova Scotia, the Liberal opposition of that day in the person of the Honourable Luther H. Holton, if I remember correctly, moved a resolution that this kind of thing should be done only with the unanimous consent of the provinces. That resolution was heavily voted down in the House of Commons, and voting against it was every one of the Fathers of Confederation present at the time, eight in number.

Well, that has taken me a little aside from the next point I wanted to make, which is the series of remarks which are to be found here about the inadequacy of the present Constitution. It is inadequate in certain respects, I am prepared to admit. Indeed, much of what the report proposes subsequently is an indication of that. But the tone of the committee about the inadequacy of the present Constitution is patronizing to an insufferable degree. The Fathers of Confederation are, as it were, gently patted on the head. We are told, for example, at page 7 of the report, that it was adequate enough—this is the British North America Act—"Although the Constitution of a Colony is not an adequate constitution for a nation"—and I will have something to say about that colony and nation business in a moment—"the British North America Act could not be said to have been a failure." How very kind! How very condescending on the part of the members of the committee towards the Fathers of Confederation! "It was an adequate enough Constitution for the Canada of 1867—perhaps, the only possible Constitution of that day." Once again, "Children you did really, really well; with your little box of blocks you did not do too badly, and you mustn't feel hurt if we say that it is not quite an architectural masterpiece."

Hon. Mr. Flynn: They should be very proud to think that this Constitution is, after all, the oldest written Constitution that exists in the world.

Hon. Mr. Forsey: I do not see the point of that interjection.

Hon. Mr. Flynn: I am saying that in any event, even if we recommend a new Constitution, the Fathers of Confederation should be proud that this old Constitution that has to be renewed is probably the oldest written Constitution that exists in the world.

Hon. Mr. Forsey: Yes, that is a very useful point that Senator Flynn has made; a valuable one.

Hon. Mr. Goldenberg: The American Constitution is older.

Hon. Mr. Forsey: I think Senator Flynn said the oldest British Constitution or the oldest Constitution of the British type, the American Constitution being, of course, an American version of what the French thought the British Constitution was in the eighteenth century. It was already rather out of date when they adopted it. It put George Washington in the place of George III. He did not get the title he wanted, "Lord High Mightiness," but he was put in the place of George III. Ours is a more modern version of a more modern British Constitution than that. However, at page 7 the committee says:

> In taking the position that Canada needs a new Constitution *now*, we are far from criticizing what our statesmen have wrought in the past.

Well, I must say that I think as the Fathers of Confederation in the Elysian fields listen to that, if they are listening to the report of the committee, or if they are reading it by some sort of superphysical process, I must say I think they will be allowing a gentle smile, a somewhat sardonic smile, to pass over their faces.

We are told also that a constitution should be a mirror of a people and an inspiration to a people. That, I think, is at page 6:

> A constitution ought thus to be both an inspiration and a mirror for its community.

Well, perhaps so; I do not know. I am a little dubious about whether it is the business of a constitution, primarily at least, to provide memory work for school children or thrills, whether for children or grownups, and I am not very sure how far any constitution can be a mirror of the people for whom it is devised. After all, a constitution is an instrument of government. It is a framework for government. If you look at the Constitution of the United States, for example, you do not find very much there really that you could call a mirror of the United States. If you called it such now it would be a most distorted mirror. Think of all that eighteenth century mumbo-jumbo of the Electoral College, one of the most signal examples of the fact that the United States Constitution is really a sort of eighteenth century sedan chair of a constitution, which only the political genius of the Americans manages to manoeuvre through modern traffic. Just think of that. Then look at the American Constitution. What do you get in the way of inspiration? Of course, you get the Bill of Rights. In a sense you can call that inspiration, and I suppose to some extent you can call it a mirror of the American people. But look what you get in the body of the original Constitution itself:

• (1730)

> . . . in order to form a more perfect Union, establish justice, ensure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, We the people of the United States do establish.

That's pretty good, solid, practical, pragmatic eighteenth century English inspiration. "Justice," "domestic tranquility," "common defence," "general welfare," "blessings of liberty." Nothing very high-fallutin' or high-flown about that; nothing very rhetorical about that. Pretty plain, homespun, eighteenth century English common sense.

We are told that we should have something very inspiring in this. I do not know quite how you would draft an instrument of government, apart from a preamble, which has its uses, that would be very much in the way of inspiration. If you can get a good preamble, all right, provided you do not import into it too much in the way of contemporary ideas which will appear hideously dated to our descendants. There is always that risk.

The British North America Act, we are told, really had no feature of this sort. Here it is on page 6:

> The measure of the inadequacy of the British North America Act is that it does not serve Canadians fully as either a mirror of ourselves or an inspiration or ideal. As enacted in 1867, it did not attempt explicitly to set forth any values or goals of that time, except to adopt "a Constitution similar in Principle to that of the United Kingdom."

That is not strictly accurate. It did also embody explicitly the idea of "peace, order and good government." And not a bad ideal either. It stands up pretty well to "domestic tranquility," "common defence" and the rest, in the preamble to the Constitution of the United States. "Peace, order and good government." The word "order," by the way, was the British Colonial Office's substitute for the original "peace, welfare and good government," which the Fathers of Confederation had wanted to have.

If you look at the time when the British North America Act was drawn up, more particularly at the time when the Quebec resolutions were adopted in 1864, and compare with what the British North America Act said we wanted, what was going on in the United States at the time, it seems to me you have got a very explicit ideal set forth. It seems to me that you have also a very stark contrast with what had been going on in the United States, and, I might add, in some sense what is going on there now. "Peace": there was no peace in the United States in 1864. "Order": there was disorder on a gargantuan, colossal, titanic scale: the war between the states, the Civil War. "Good government": over a large part of the territory of the United States the writ of the central government did not run at all.

It seems to me that as the Fathers of Confederation looked across the border at the chaos which reigned south of the 45th parallel of latitude and the St. Lawrence River, they might well have said, "We have a pretty good ideal embodied here in the words 'peace, order and good government.' " And the other ideal, which even the committee's report admits, was also a pretty good ideal, was parliamentary cabinet responsible government—the most delicate, the most flexible, the most efficient form of government that the world has yet found, and the one most responsive to the public will; far, far, far ahead of anything the Americans, or for that matter any ruddy republic in the whole world has ever discovered. I trust that the word I used then, that good English slang word, is not unparliamentary. If the Speaker so rules, of course I should be glad to withdraw it and substitute the word "crimson," which I presume is prefectly parliamentary.

What we have embodied in those two phrases, "peace, order and good government," and "a Constitution similar in principle to that of the United Kingdom," is the ideal which the Fathers of Confederation set up, which I think is still a good one, the ideal which was summed up by Tennyson in two historic phrases: "Freedom slowly broadening down from precedent to precedent," and "That sober freedom out of which there springs, Our loyal passion for our temperate kings."

The report, in one of the early chapters, chapter 3, observes that the Imperial power of London over Ottawa in the act is a defect. Well, the Imperial power of London over Ottawa as set forth in the act was even then fairly slim, fairly narrow. I have found a tendency among uni-

versity students in recent years to get the idea that in 1867 we had not responsible government; that the Governor General was, to use the New England phrase, the horse and cart and the dog under the wagon. Of course, this is a travesty of the fact. Responsible cabinet government in everything relating to our domestic affairs was already nearly 20 years old in most of the colonies, though somewhat less in Newfoundland. It had been established in Nova Scotia in February 1848, and somewhat later in the year in the Province of Canada.

The Imperial power, such as it was in the act, grew steadily smaller, and rapidly smaller. I think one must remember the stupendous labours of the Honourable Edward Blake in 1876, when he was Minister of Justice, in getting the royal instructions to the Governor General and the Royal Commission substantially altered in the direction of greater autonomy for the Dominion of Canada.

The report also points out that the British North America Act can still be amended by the British Parliament. Yes, of course it can. But first of all that is the result of our own failure to agree on any amending formula. The British Government and the British Parliament could not care less; they would be delighted to be rid of this job of acting as a rubber stamp for what Canada asks for. That is all they have been doing for a very long time in the matter.

The other thing is that it is explicitly set forth in the Statute of Westminster, which is now more than 40 years old, in section 4 of that Statute, that no law of the United Kingdom henceforth will apply to any of the dominions defined in the act, Canada being one of them for the purpose of the act, except at the express request of the Parliament of the dominion concerned. So the British Parliament is, in fact, unless it repeals the Statute of Westminster, which nobody in his right mind, I think, will suggest, debarred by its own action from making any amendment to the British North America Act except at the request of Canada.

Then there is a reference to the Imperial power of disallowance of acts of the Parliament of Canada. That is said to be anachronistic. Yes, of course it is. The last time it was exercised, and the only time it was exercised, was in 1873. It is now constitutionally obsolete. It has been recognized for the last 43 years, officially and formally recognized, that it is constitutionally obsolete. As I say, it has been used only once, and that almost a hundred years ago.

Curiously enough, there is no reference to what I should have thought was the at least equally obnoxious feature of the act, the power of the Governor General to reserve bills of the Parliament of Canada for the Royal pleasure. That, in fact, was exercised rather longer, down until 1886. It has never been exercised since. In 1929, the Conference on the Operation of Dominion Legislation, which declared the power of disallowance constitutionally obsolete, said that the power of reservation was constitutionally obsolete, and added that either of them, or both of them, could be removed from the constitutions concerned any time that the parliaments concerned asked for it. If we want to have those vestigial remainders, those vermiform appendixes of our Constitution, removed by a surgical operation, all we have to do is ask the British Government to submit an amending bill to the British Parliament for that purpose.

Then there is the reference to the dominion power of disallowance of provincial acts, which has been exercised 112 times, and exercised upon acts of every province of Canada except Newfoundland and Prince Edward Island, and exercised last in 1943. There is the statement that retention of that power of disallowance would make a mockery of the distribution of governmental power in Canada. I take leave to contest that statement. Once again, there is no mention of the power of reservation by lieutenant governors of provincial bills, although that has been exercised 70 times, and exercised until 1961. But whether that means that the committee just forgot about this, or whether it means that it thinks preliminary reservation of provincial bills still has its uses—as indeed it may—I do not know. I suspect it was a mere oversight, a mere lapse of memory.

• (1740)

I want to say here—and this might be described as a sort of sub-dissent, a secondary dissent—that I am not prepared to admit that the power of disallowance of provincial acts ought to disappear from our Constitution.

Perhaps I should be prepared to admit it if we succeeded in embodying a comprehensive and well drafted bill of rights in the Constitution; but unless we get that as a *quid pro quo* for the abandonment of the powers of disallowance and reservation of provincial legislation, I am very reluctant to see those powers disappear, even though they have not been exercised in recent years and even though probably the failure of the Diefenbaker government to exercise them on that wicked, vicious, outrageous, totalitarian legislation of the late and unlamented government of Newfoundland in 1959, even though the Diefenbaker government's failure to exercise these powers on that occasion has probably driven a nail into their coffin, even so, I am not prepared to admit that it is altogether desirable that they should disappear.

We have had, in my lifetime, some of the weirdest and wildest provincial governments that the mind of man could conceive. I refrain from naming names. It is a great Canadian tradition that you must not name names, you can only hint. You may, to use another New England phrase, "Come as nigh to it as a pig's snout is to his squeal," but you must not name names. Any honourable senator of my age, or older, will readily call to mind instances of what I have just mentioned, the wildest and weirdest provincial governments. We have seen provincial governments which have threatened the stability of credit in this country and which have ridden roughshod over fundamental human rights and freedoms.

I am sorry to say that, in some instances, the government here did nothing about it. In others, it showed an extraordinary zeal, very heartening to a Marxist, in disallowing legislation which touched the fundamental economic interests of the ruling powers in society, but was extremely coy and reluctant to do anything about invasions of human rights such as the infamous "Padlock Act" of the Province of Quebec.

It seems to me perfectly clear that there may be instances in which a provincial legislature can do things which go far beyond the interests of the province con-

cerned. It is easy enough to say that if the people of the province do not like it they can turn the government out in the next election; but in a great many cases a provincial legislature, operating completely within the ambit of its jurisdiction, can pass acts which can most fundamentally affect the interests of people outside the province altogether. And those people have no redress, then, under the present Constitution, and they might have very little redress even under a Bill of Rights, except by operation of the dominion power of disallowance and the lieutenant governor's power of reservation—which, incidentally, might be even more useful than disallowance. Disallowance comes after the damage has been at least partly done: reservation might even prevent it being done.

We are told also that the British North America Act was drawn up as the constitution of a colony. I want to draw attention to the fact that the word "colony" is one that was very rarely used by the Fathers of Confederation, about the federation they were setting up. On the contrary, the word "nation" was constantly on their lips, "a new nation," "a new nationality," "a new and great nation," "une seule et puissante nation," "une nouvelle nation." The French-speaking Fathers of Confederation were just as emphatic on this as the English-speaking Fathers.

I want to remind you again that the Fathers wanted to call this country the Kingdom of Canada; and they wanted to have the Queen give it the title, and possibly give it a viceroy, not merely a governor general. The Fathers of Confederation were extremely emphatic on this.

If you look at the words of Edward Blake, the great leader of the Liberal party from 1880 to 1887, and one of the greatest constitutional lawyers this country has ever produced, you will see what he had to say on this point.

I took the trouble of mentioning Blake's qualifications, because I have been horrified to discover, recently, that a great many of the contemporary political people and their officials have not the ghost of a notion who Blake was. This nearly knocked me off my perch. I had not supposed that anybody engaged in public affairs, with any reasonable degree of elementary knowledge of the Canadian Constitution and Canadian constitutional history, would not be aware of who Blake was. However, live and learn.

Blake said in 1876, when he was asking for the changes in the Royal instructions to the Governor General—changes which would expand the autonomy of the country—he said very emphatically:

> Canada is not merely a Colony or a Province, she is a Dominion composed of an aggregate of seven large provinces united under an Imperial Charter.

He contrasted strongly the words "colony" and "dominion," just as the Fathers of Confederation had contrasted the words "colony" and "nation." One of them, I think it was—I do not know now whether it was either Cartier or Macdonald, said we have the chance to rise from a group of insignificant colonies to become a great nation, worthy to take our place with the nations of the earth. Yes, here we are, here is the quotation, Macdonald in the *Confederation Debates*, page 43:

> To take our position among the nations of the world, (instead of being) broken up into a number of insignificant colonies.

And he added:

> Our alliance will be worthy of being sought by the great nations of the earth.

Then he added, on the next page:

> The colonies are now in a transition state. Gradually a different colonial system is being developed and it will become year by year less a case of dependence on our part and of overruling protection—

Note the word "protection" which was very important in British North America in the 1860s—

> —of overruling protection on the part of the Mother Country and more a case of a healthy and cordial alliance. Instead of looking upon us as a merely dependent colony, England will have in us a friendly nation, a subordinate but still a powerful people.

You can say that there was an element of a colonial attitude in that, as indeed there had to be, considering the situation at the time. But when people talk to me, as one witness did, before the committee, about Sir John A. Macdonald and his colleagues having a colonial mind, it makes my blood boil. I said to that gentleman, who was an Old Countryman, though not actually English, I said to him, rather rudely, I fear: "Well, at all events, whether he was colonial minded or not, Sir John A. Macdonald had a healthy dislike of what he called 'overwashed Englishmen.' "

I get tired and sick of hearing this kind of talk about the Fathers of Confederation being, as it were, merely a lot of mixed up kids with a dreadful sense of colonial inferiority. The record does not bear it out. Look at what Creighton says in his *Life of Sir John A. Macdonald.*

You will find Sir John actually, when he was proposing to set up the high commissionership in London, talking about the relationship of Canada to Great Britain as being somewhat analogous to that of Hungary to Austria, and that was just a short time after the famous Ausgleich of 1867, which set up the dual monarchy of Hungary and Austria as associate states—to use the language of the St-Jean Baptiste Society of Montreal. They were to be separate powers with only certain very limited common matters, foreign affairs and finance and, I think, customs tariffs under the control of a joint authority.

• (1750)

Actually, you had, therefore, Sir John talking in 1880 or 1881, just before the establishment of the high commissionership, of the relation of Canada to Great Britain in those terms, and he talked of the high commissionership as a quasi-diplomatic position.

Well, so much then for this nonsense about our present Constitution not being distinctively Canadian. If ever anything ever was distinctively Canadian, it is. Possibly we can now produce a new or revised constitution which will be even more distinctively Canadian, although I think we shall have our work cut out for us to do it.

Now I want to turn to this other thing that comes at the very beginning, that we must have a new constitution. There are a variety of statements on that point.

First of all, on page 1, we have the statement that the constitutional imperative that we must have a new constitution came to the committee from the views expressed by

very many Canadians in all parts of the country. It says on page 1:

> —the views expressed to us by very many Canadians in all parts of the country, as well as our own analysis of ideas and events, have convinced us that *Canada needs a new constitution now.*

And then a bit later:

> The need for a new constitution has been amply demonstrated.

And then if you turn to page 7 you find the words:

> Moreover, the people now want a new constitution.

At this point I want simply to say that in all the hearings at which I was present and, as far as I can judge from reading the record, in the other hearings, the amount of demand by the people for a new constitution was pretty small. I think that if you put it all together it would not cover five pages of the record. You had a great many very able and learned experts on the Constitution saying they thought we did not need a new constitution. Certain amendments, yes. Specific amendments, yes. But not a new constitution. I think that statement that the people now want a new constitution is simply not warranted by the evidence which came before us. I am almost inclined to say that the drafters of the report, in effect, constituted themselves the three tailors of Tooley Street: "We the people of England."

"The people now want a new constitution." I do not know where the evidence for that is. Of course, if you talk about the people who came before us and said they wanted to get out of Canada, if you talk about the separatists and say that these are the people who want a new constitution, then you are in another universe of discourse. I do not think they want a new constitution. They merely want to get out. That is all.

It is just as if Northern Ireland became a part of the Republic of Ireland and decided afterwards that they did not want to be a part of the Republic of Ireland any longer but wanted to get out. That would not constitute a demand for a new constitution of the Republic of Ireland. That would merely constitute a demand for secession. Well, we did hear a good deal about secession; a good deal about separatism. That to me is not a demand for a new constitution.

If you say, oh, well, really, you know, they are not saying that everything has to be done all over again from scratch; they are not saying that you have to start with a *tabula rasa*, a clean sheet, and produce something absolutely brand new; no, they are not. They speak of using parts of the old constitution.

More remarkable still, if you go through the substantive proposals of the committee and add them all together, it seems to me very dubious whether you can call them a new constitution. I do not think you can—not by the committee's own definition. It says on page 7 at the very end of chapter 3:

> The present constitution needs a fundamental recasting. It needs to be rethought and reformulated in terms that are meaningful to Canadians now.

Well, I do not see anything in the substantive proposals of this report that constitutes a reformulation, a fundamental recasting or a rethinking. What you have got is a large number of very sensible substantive proposals which would give us a revised constitution. They are sensible in the main, although there are a few that I should jib at.

The committee says:

> The limited goal of "constitutional review" established by the first Federal-Provincial Constitutional Conference in 1968 has long been outmoded.

I cannot agree with that. I do not think there is any ground for saying so. It seems to me that the very sensible, specific proposals made by the committee, which do not in my judgment involve a rethinking, a reformulating or a recasting of the Constitution, but merely some improvement to the existing Constitution, it seems to me that those particular proposals are adequate. They are well substantiated. They are supported by a large body of evidence and they can be argued on a reasonable basis.

The statement that Canada needs a new constitution, and must have a new constitution, and have it now is nonsense. And the proof of that is the committee's own substantive proposals.

I would add this: that it not only is nonsense but it could be dangerous nonsense. Nothing is more dangerous than to give people the idea that they are going to get something far beyond what in fact you have any intention of giving them. And if you say, "We must have a new constitution fundamentally recast, fundamentally rethought, reformulated—tararara-boom-de-ay," you are going to awaken in the minds of a great many unthinking people the notion that you are going to have something *ganz neues*, as the Germans say, completely new, and you are not—not if these proposals are adopted. You are going to have something revised, improved, amended. But, if you give people to understand that they are going to get something which they are certainly not going to get if these proposals are adopted, then you just give ground for every tub-thumper, blatherskite, demagogue and cocksure jackass that happens to be loose in the country, and heaven knows there are enough of them of various kinds and descriptions. So that is my first and main objection.

Hon. Mr. Choquette: If I may interject, did you not say you had fifteen objections? I cannot anticipate that this interesting discourse of yours will be completed by six o'clock. May I suggest, therefore, that you adjourn it yourself? As you know, we have sat all afternoon. We like to hear you, but you could start all over again tomorrow.

Hon. Mr. Forsey: Not fifteen, eight or ten. I am perfectly prepared to do that, Senator Choquette. In fact, I was about to add that before I proceeded to any other specific part of this I should like to suggest the possibility of adjournment of the debate. However, it may be that there is some small point that I can make before six o'clock. It is possible that that is so. Let me look at the notes which I have put down here for my guidance. Yes, there is one small point that I think I can make very briefly.

There is a proposal in the committee's report on the subject of the Bill of Rights, at page 20, to which, in common with the members of the New Democratic Party on the committee, I object. I think it is superfluous, to say the least. The proposal is:

> The right of the individual person to the enjoyment of property, and the right not to be deprived thereof except in accordance with the public good and for just compensation.

The proposal is that that should be included in the Bill of Rights. I think that is unnecessary. I adopt the words which were used by the two New Democratic members of the committee, Mr. Brewin and Mr. Rowland, where they say:

> History has demonstrated that similar efforts to protect property have been used by courts to frustrate legislative supremacy in relation to social questions. In our view the Bill of Rights should be confined to human rights and should not attempt to protect property rights.

I think anybody who is acquainted with the history of judicial procedures and decisions in this country and in other British countries, other countries of the British tradition, is bound to come to the conclusion that the rights of property will be amply protected by the courts under the existing provisions of the ordinary law. That particular provision, therefore, I find myself in disagreement with. I do not think it is a matter of enormous importance, but I did want to say that on this particular proposal—and there is one other to which this applies also—I find myself for once in association with some of my old friends I knew in the days when I and they were in the CCF.

• (1800)

This is a good place, from everybody's point of view, for me to ask for the adjournment of the debate. I am sorry that I am going into this matter in such detail, but I think it fundamental to do so because there are so many misconceptions abroad and so much misinformation abroad on this subject, and so many foolish ideas being trumpeted by ignoramuses up and down the country that I think it essential to set forth certain views which it seems to me are more sensible than some of those that I hear proclaimed even, alas, in certain unfortunate, defective parts of this report.

If I may adjourn the debate now, I should like to say that next time I propose to discuss the question of the monarchy, on which I take the strongest possible objection both to the proposals of the report, for a change and, perhaps even stronger objection—if it is possible to be stronger than strongest; very strong objection at all events—to the means by which it is suggested the matter should be settled, namely, a plebiscite. I can think of no worse, more ineffective, more foolish and, indeed, more dangerous way of dealing with this subject than by means of a plebiscite.

I should like to ask permission to adjourn the debate.

On motion of Hon. Mr. Forsey, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

29 March 1972

Sir,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th day of March, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa.

PARLIAMENT HILL BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-78, respecting the use of the expression "Parliament Hill".

Bill read first time.

SECOND READING—DEBATE ADJOURNED

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, I move that the bill be read the second time now.

Honourable senators, Bill C-78, an act respecting the use of the expression "Parliament Hill," is a short, concise, private bill, that was presented by a very distinguished and senior member of the other house yesterday. In perusing the records of the House of Commons I find that five speakers took part in the discussion on second reading and in Committee of the Whole, and there was unanimity from all quarters in the house in support of the bill. Therefore, it is a pleasure for me to have the privilege of introducing the bill here. It is my hope that we can deal with it as expeditiously as the other place did, in the hope that it could become law later today, if senators see fit.

As I said a moment ago, the bill is straightforward, consisting of three clauses. The main purpose of the bill is to preserve the description "Parliament Hill" to this area of Ottawa, Parliament Hill, and to prevent the use of this expression for any other purpose.

I have been informed that on two or three occasions recently attempts were made to use the name "Parliament Hill" in a commercial sense. It is my understanding that one of our new hotels, recently completed in this city, attempted to use the name. There was general concern on the part of people, not only in Ottawa but in other parts of Canada, about the use of the words "Parliament Hill." A farm close by Ottawa used this term in registering some of its purebred cattle over the last year or so. There is also a sporting clothes store in Ottawa which is using the name.

It seems to be the wish of this house and of the other place that the name "Parliament Hill" should be preserved for the area of Parliament Hill. When this problem was brought to the attention of the people using the name commercially, some of them graciously withdrew from the use of the name that they had adopted for their commercial enterprise. I feel that they, along with all Canadians, would be happy to see this expression preserved for Parliament Hill itself.

• (1410)

It would not be my intention to send the bill to committee, as there are only three clauses in it. The first and second clauses outline the powers of the bill and how anyone who disobeys this law, if it becomes law, can on summary conviction be penalized. The third clause of the bill limits the power so far as the members of both houses of this Parliament are concerned. I recommend the bill to your consideration in the sincere hope that we will be able to proceed with it through all of its readings today so that it may become law before our Easter recess.

Hon. Jacques Flynn: Honourable senators, with the exception that one fact seems to have been overlooked in the drafting of this bill, I would have been happy to agree with the suggestion of the Deputy Leader of the Government that this bill receive its three readings today and then royal assent at 5.45 this evening, because I am in complete agreement with the purposes of the bill. The fact which has been entirely overlooked in the other place, but which is of considerable significance, is that the words "Parliament Hill," although they have been used traditionally to describe the federal Parliament site, have also been used to describe the Quebec Parliament site. If we were to pass this bill the way it is written now it would mean that those words could not be used to describe the site of the provincial Parliament of Quebec.

I am not in the least opposed to the views expressed by the sponsor of the bill, but I do think it would be a mistake, an error at least so far as diplomacy is concerned, if this bill were to be passed without some consultation or some amendment.

In the short time that I had at my disposal to consider this bill this morning, I was, after some discussion, able to come up with an amendment which I will put forward in a few moments. First, however, I want to indicate to the Senate that clause 1, paragraph (a) says:

> 1. Notwithstanding anything contained in any Act of Parliament or regulation thereunder, no person shall use the words "Parliament Hill" in combination
>
> (a) to describe or designate a property, place, site or location other than the area of ground in the City of Ottawa bounded by Wellington Street, the Rideau Canal, the Ottawa River and Bank Street,

Moreover, the sponsor of the bill has indicated that it is the desire to prohibit anyone from describing, for instance, a farm by the words "Parliament Hill." Therefore, by virtue of clause 1, paragraph (a), we would prohibit the use of "Parliament Hill" to describe the Parliament site in Quebec City. I doubt that this was the intention of the sponsor of the bill. I know it passed three readings in brief order in the other house, but that does not mean a thing. This is indeed one instance where second thought is useful, and that is why I suggest that we should agree some time before 6 o'clock to an amendment along the lines of the one I am about to suggest, or that we should refer it to a committee. I would have no objection one way or the other.

Hon. Mr. McDonald: Do you have a copy of your proposed amendment?

Hon. Mr. Flynn: I have it here and I shall pass it over to you when I have dealt with it.

I would add as subclause (1) of clause 1 the following:

> Nothing in paragraph (a) of subsection (1) of this section shall be deemed to prohibit the use of the expression "Parliament Hill" where it is currently in use as the description of the premises occupied by the legislature of any province.

That would cover the case of Quebec City and the sites, where applicable, of other provincial legislatures. It would certainly meet the objections that might be raised. You can readily realize what would be the feelings of the members of the National Assembly in Quebec if we told them they could not use the name "Parliament Hill" in reference to the site of the Parliament buildings in Quebec.

If it is acceptable, honourable senators, we can deal with the matter in this fashion, but otherwise I would have to suggest that it be referred to committee or else I would have to refuse—and I do not want to do this—leave to proceed with third reading.

Hon. Mr. McDonald: Honourable senators, if I might say a word at this stage, I must admit I was never aware that the Parliament buildings in Quebec City were referred to as "Parliament Hill." I think the Leader of the Opposition (Hon. Mr. Flynn) has a valid argument. I wonder if we could leave this matter until later this day because I would like to have an opportunity of consulting with the sponsor of the bill in the other place. I would do that immediately if we could agree to revert to this matter later this day.

Hon. Alan Macnaughton: Honourable senators, perhaps I might make a suggestion at this point. I am not at all sure that every parliament is located on a hill; it could be a square or an area of land with another designation. So if you restrict the use of the word "hill"—and here I am thinking of Victoria, British Columbia,—perhaps the people who are charged with drafting this could consider one or two other words in association with the word "hill."

Hon. Sidney L. Buckwold: Honourable senators, I wonder if there might also be a restriction on the use of the word "parliament" rather than simply on the words "Parliament Hill."

Hon. Mr. Flynn: In combination?

Hon. Mr. Buckwold: Without combination. To me it would be just as obnoxious to have a "Parliament Hotel" as to have "Parliament Hill Hotel" or the "Parliament Night Club" or "Parliament 'Bodeeshop'" or whatever it is that they have in Ottawa. We did the same thing with the use of the word "royal" a few years ago. I wonder if Senator McDonald could inform us as to whether they have considered the word "parliament" as well as the word "hill."

Hon. Mr. Flynn: There are cigarettes called "Parliament."

Hon. Mr. McDonald: Some consideration has been given to it. There is, as Senator Flynn said, a brand of cigarettes called "Parliament."

Hon. Mr. Flynn: And there is a cigar called "House of Lords."

Hon. Mr. McDonald: There is also a sauce called "H.P." which stands for "Houses of Parliament." And if you look at the English-speaking nations of the world you will find this expression used in many instances. I believe if you get involved to that extent, it would be a rather sticky wicket.

• (1420)

Hon. Mr. Buckwold: We could not make this retroactive any more than we did the word "royal."

Hon. Mr. Flynn: Oh yes, we can.

Hon. Mr. Buckwold: Normally you would not wipe out the word "parliament" from Parliament cigarettes. However, you could prohibit its use in the future.

Hon. Mr. Cook: There is a good whisky known as "Houses of Lords."

Hon. Eugene A. Forsey: Honourable senators, I am a little bit surprised and amused that this controversy should arise over the use of the words "Parliament Hill," because strictly speaking, of course, no provincial legislature has the right to call itself a "parliament." I know the Ontario legislature started it.

The late Dr. Beauchesne, that eminent, unsuccessful Conservative candidate and authority on parliamentary procedure, wrote a learned article many years ago which pointed out that a legislature had no right to call itself a parliament. The British North America Act says plainly

that there is to be "one parliament for Canada." Various legislatures have usurped the title of parliament for themselves. The Legislature of Quebec, of course, rectified this, in part, by calling itself the National Assembly. Perhaps a solution would be for the people in Quebec to change the name to "La colline du parlement" to "La colline de l'Assemblée nationale"—I don't know. But I cannot help feeling a certain amount of amusement over this tempest in a very curious kind of teapot.

Hon. J. Harper Prowse: Honourable senators, so that we can be properly confused—

Hon. Mr. Flynn: You do not need to rise after Senator Forsey has spoken.

Hon. Mr. Prowse: Just in case the sophistication of Senator Forsey's remarks may have missed the Leader of the Opposition, I feel I should make this comment. First of all, I am not sure that we have a constitutional right to designate the use of the words "Parliament Hill" unless they have had proprietary right under a trademark. This has been suggested. However, I feel that even more important than that, the legislation is badly worded. Clause 1 says:

> Notwithstanding anything contained in any Act of Parliament or regulation thereunder, no person shall use the words 'Parliament Hill' in combination
>
> (c) in association with a commercial service rendering establishment.

I would suggest to the Deputy Leader of the Government that if this legislation is to be returned to the other place that the words "in association with a commercial service rendering establishment" should be amended to read, "in association with a commercial establishment" so that we avoid giving examples of bad syntax and questionable grammar to our children.

On motion of Hon. Mr. Flynn, debate adjourned until later this day.

ELECTORAL BOUNDARIES READJUSTMENT ACT

BILL C-172 (TÉMISCOUATA)—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-172, respecting the Electoral Boundaries Readjustment Act.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 44(1)(f), I move that the bill be now read the second time.

Honourable senators will recall that a few days ago we had four bills similar to Bill C-172 dealing with the changing of the names of federal constituencies. This constituency is represented by Mr. Gendron in the other place and he is anxious, because of the attitude of the people whom he represents, to have the name changed from Témiscouata to Rivière-du-Loup-Témiscouata.

[Hon. Mr. Forsey.]

My understanding is that this is the second time this proposal has been made, and that the former member for the constituency had the name changed prior to the last redistribution. However, when the independent commission made a decision that there should not be double-barrelled names, of course, the name reverted. It is the wish of the present member and the people of the area to revert to the name that was first brought in during 1958-62, or around that time, namely, Rivière-du-Loup-Témiscouata.

Hon. Jacques Flynn: Honourable senators, I have already expressed my views with respect to this type of bill, but I do not recommend that we give different treatment to this from that given to other bills. The only point I wish to add is that I know the riding pretty well, having spent something like 15 or more summers there. In fact, I have been going there since 1930. We used to call it Témis. I met the member, Mr. Gendron, at lunchtime and suggested that he might compromise and change the name of the riding to Témis, in lieu of Rivière-du-Loup-Témiscouata. In any event, it would be unfair, I suppose, to delay the passage of this bill, since we have passed the others on division. I think we should let it pass on division.

Hon. Mr. Choquette: Unless we make it Jean-François Pouliot.

Hon. Mr. Flynn: That would be even more verbally complicated but, historically speaking, probably better.

The Hon. the Speaker: It is moved by the honourable Senator McDonald, seconded by the honourable Senator Bourget, that this bill be now read the second time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: On division.

Motion agreed to and bill read second time, on division.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. McDonald: With leave, now.

The Hon. the Speaker: It is moved by the honourable Senator McDonald, seconded by honourable Senator Bourget, that this bill be now read the third time.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: On division.

Motion agreed to and bill read third time and passed, on division.

• (1430)

DOCUMENTS TABLED

Hon. Paul Martin tabled:

> First Annual Report of the Tax Review Board for the year ended December 31, 1971, pursuant to section 17 of the Tax Review Board Act, chapter 11, Statutes of Canada, 1970-72.
>
> Copies of a contract between the Government of Canada and the Town of Souris, Prince Edward

Island, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Report of the Department of Transport containing a Statement of Wharf Revenue Receipts and a Statement of Harbour Dues for the fiscal year ended March 31, 1971, pursuant to sections 14 and 18 of the Government Harbours and Piers Act, chapter G-9, R.S.C., 1970. (French text).

Report of the Canada Deposit Insurance Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to section 46 of the Canada Deposit Insurance Corporation Act, chapter C-3, R.S.C., 1970.

Copies of Notes exchanged between the Government of Canada and the Government of Denmark concerning fisheries relations between the two countries. Ottawa, March 27, 1972.

Copies of Agreement between Canada and France on their mutual fishing relations. Ottawa, March 27, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of Portugal concerning fisheries relations between the two countries. Ottawa, March 27, 1972.

Copies of Notes exchanged between the Government of Canada and the Government of the United Kingdom concerning fisheries relations between the two countries. Ottawa, March 27, 1972.

Copies of Ordinances, chapters 1 to 9, inclusive, passed by the Council of the Northwest Territories at its 1972 First Session, pursuant to section 16(1) of the Northwest Territories Act, chapter N-22, R.S.C., 1970, together with copy of Order in Council P.C. 1972-507, dated March 14, 1972, approving same. (English text).

Copy of Table of Public Ordinances of the Northwest Territories—1956-1972 (1st Session), together with copy of Table of Ordinances or parts thereof that are required to be brought into force by order of the Commissioner. (English text).

Report of Polymer Corporation Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the National Energy Board for the year ended December 31, 1971, pursuant to section 91 of the National Energy Board Act, chapter N-6, R.S.C., 1970. (English text).

INTERNAL ECONOMY

MOTION FOR APPOINTMENT OF SENATORS TO ACT BETWEEN SESSIONS AND PARLIAMENTS—DEBATE ADJOURNED

Hon. Donald Smith moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That during any period between sessions of Parliament or between Parliaments, the Leader of the Government in the Senate and a senator to be named by him from time to time and the Leader of the Opposition in the Senate, or a senator to be named by him from time to time, be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate; and

That within fifteen days of the commencement of the next ensuing session there shall be laid on the Table, by or on behalf of the Leader of the Government in the Senate, a report covering in reasonable detail all matters relating to the internal economy of the Senate arising during any such period.

The Hon. the Speaker: With leave of the Senate and notwithstanding Rule 45(1)(h), it is moved by the honourable Senator Smith, seconded by the honourable Senator Carter, that during any period—

Hon. Senators: Dispense.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion?

Hon. Allister Grosart: I was hoping that His Honour the Speaker might read the motion again, because it was my impression that the motion contained no reference to His Honour the Speaker. Am I correct in that?

Hon. Mr. Smith: That is correct. The motion does not include His Honour the Speaker, because in the past it has never been the practice to include His Honour as a member of this interim committee. This is the usual procedure in the present circumstances, when we are faced with a long adjournment and the possibility of other events between now and June 1973.

Hon. Mr. Choquette: There used to be three.

Hon. Mr. Martin: There are now four, one to be named by the Leader of the Opposition.

Hon. Mr. Grosart: Your Honour, I had not completed my remarks to the motion. I asked a question. I would now like to suggest that regardless of the fact that this may be the usual format, the Senate should reconsider the matter at this time.

Surely the role of His Honour in the administration of the affairs of the Senate has both a constitutional and a practical aspect which should be considered in turning over, in effect, the internal economy of the Senate to honourable senators, no matter how distinguished, who do not have the overall responsibilities that naturally fall to His Honour the Speaker.

I am not suggesting an amendment at this time, but I hope there might be some discussion or explanation as to why His Honour the Speaker is not included in this very important interim committee.

Hon. Paul Martin: There is certainly no objection to that. I had nothing to do with the framing of this, but I suspect—I may be wrong in this, and we could let this stand until later this day so that the point I am about to suggest might be examined—that our situation is that the Speaker of the Senate, like the Senate itself, in the event of certain eventualities is no longer *functus officio*—

Hon. Mr. Flynn: He becomes *functus officio*.

Hon. Mr. Martin: —whereas in the other place there seems to be a difference in that arrangement. However, if this constitutional explanation has any validity, then that would be the explanation, but so that it can be examined we could let this matter stand until later this day. If that is not the reason, or if there is not another good reason, then we might give consideration to the point that Senator Grosart has made.

I would suggest, if it is agreeable with Senator Smith, that we let this stand until later this day so that the reason can be examined. I suspect that is the legal reason.

Hon. Mr. Grosart: I would hope that the examination that might take place in the interim would go beyond the point I made, and would consider the suggestion made by the Leader of the Government as to the lapse of what I believe he called *functus officio* for His Honour the Speaker.

Hon. Mr. Flynn: That applies to the whole Senate. In other words, the Senate and the Speaker might become *functus officio*. I think that is what the leader means. We lose all authority if the house is dissolved. This is a difficult problem, I agree.

Hon. Mr. Martin: I am not suggesting that the house is going to be dissolved. I am not dealing with that issue.

Hon. Mr. Flynn: I know that; you are too careful.

Hon. Mr. Grosart: May I say, if there is a difference between the continuing role of the Speaker in this place and the Speaker in the other place, then that is something we should examine. Unless my memory and information are incorrect, an essential part of the functioning of Parliament, certainly in the other place, is the continuing role of the Speaker as, if I may use the term, the operational housekeeper in those matters that may necessarily come up even during dissolution.

Hon. Mr. Martin: We will examine that matter.

Hon. Mr. Grosart: Perhaps Senator Forsey may be able to inform us as to the status of the Speaker of the other place in that kind of eventuality, and I would suggest, if there is a difference in the status of the two Speakers, that perhaps we should examine it and correct it. There are matters which come up even during dissolution—and I can recall some myself—when the Speaker of the Senate, perhaps in relation to a visit by distinguished visitors, has a very essential role to play. To suggest that because Parliament is dissolved the Speaker of the Senate ceases to have the constitutional right to act in that capacity seems to me to be quite absurd.

Hon. Eugene A. Forsey: Honourable senators, my recollection is that in the other place the position of the Speaker in such circumstances is governed by statute, although I am not absolutely certain of that. I see the Leader of the Government thinks that is so.

Hon. Mr. Flynn: You are right.

Hon. Mr. Forsey: I should have thought that the position of His Honour the Speaker of this place in such circumstances might be regulated by the terms of his commission, because, after all, the Speaker of the Senate is a Crown appointment. I should have thought that the terms of his commission would set forth the period for which he was appointed. Whether the appointment is for the period of a single Parliament or during pleasure I do not know, but I should have thought the commission might have shed some light on that.

• (1440)

Hon. Mr. Flynn: During pleasure.

The Hon. the Speaker: Before I ask honourable senators if this motion should stand until later this day, I might just point out that the appointment of a Speaker in the Senate is by virtue of an order in council which stands, as far as I am aware, until another order in council is passed appointing another Speaker. These are things that might be verified.

Hon. Donald Smith: Honourable senators, perhaps I might, with your leave, make one or two points. I will not speak for more than a minute or so, because this matter will be considered later. In view of the misunderstanding that perhaps arose out of the kind of motion it is, I should like to say, more particularly for the information of our newer senators, that there is a distinct difference, in more ways than one between the offices of the Speaker of the Senate and the Speaker of the House of Commons.

As His Honour the Speaker has just pointed out, one difference is that he is appointed by an order in council, whereas the Speaker of the House of Commons is elected by all members of the House of Commons, and he is the first commoner who is charged with being the impartial person to look after the interests and housekeeping of the House of Commons. He personally is chairman of the Internal Economy Commission, and it is in his executive position, which covers a great many areas, that he runs the whole show, if I may use that slang expression.

He is charged with a very great responsibility. Whether it is by practice or by statute I do not know, but I recall that after quite a number of elections I have observed, whether there is a change of government or not, that the Speaker of the other place has some function during an interregnum, which is recognized. He carries on, because he is the chief executive, looking after the hiring of staff and getting ready for the new Parliament. He can hand over those functions only when the new Speaker is elected by the House of Commons.

We save our Speaker the embarrassment of having responsibility on the Standing Committee on Internal Economy, Budgets and Administration, although in the last year or so His Honour the Speaker has been kind enough to invite us to hold our meetings in his chambers, where he offers us the best coffee in town, at no extra cost.

When we try to pass direct responsibility over to the office of our Speaker, I think we are doing something that should not be done. I believe it would be acceptable if the Leader of the Government in the Senate commenced the practice of inviting His Honour to act on that committee which may sit during long adjournments, recesses, and so on. His Honour the Speaker is as interested in our welfare as anyone else. Perhaps this suggestion should be spelled out, and we could talk about it later on. I would like to see it taken under advisement. I do not think we should try to impose on His Honour other responsibilities than those that are his as an equal of all honourable senators.

There are certain implications in this, and because of that fact we speak to each other in the fashion we do. We do not address Mr. Speaker; we address each other, although His Honour very often brings us to order, and we thank him for it. I hope that what I have said is helpful.

Hon. Lionel Choquette: I think we have complicated this question by bringing in the name of the Speaker. I have sat on this group from 1958 until very recently. It was able to deal speedily with urgent matters that arose between sessions. Senator Connolly (Ottawa West) sat on this group, the members of which were chosen, as much as possible, from those living in Ottawa.

Hon. Mr. Smith: Yourself included.

Hon. Mr. Choquette: I will put myself last. There was Senator Connolly (Ottawa West), Senator Power, who was writing his book in Kingston but spending most of his time in Ottawa, and myself. Quite often we were called upon to sign resolutions, or to meet urgently and deal with matters here.

It is not my wish to say to His Honour the Speaker, "Stay out of this," but if we have four members who can be called upon to deal with urgent matters between sessions we will be doing very well, and will not complicate things by asking His Honour to stick around Ottawa, Quebec City, or Montreal and be available on short notice. I think that was the purpose of this interim committee.

Hon. Mr. Martin: I wonder if I might intervene again. I think Senator Choquette has, out of his practical experience, perhaps suggested a way out. I have before me a communication on this point made by a very distinguished law clerk of the Senate, W. F. O'Connor, who was parliamentary counsel to the Senate, and whose reputation is, of course, known. Speaking of the office of Speaker, he said:

> The Speaker is, in a sense, a two-way conduit whereby access is had to the Senate Chamber from the outside and from the Senate Chamber to the outside. In the Senate Chamber, the Speaker, as first among equals, performs duties at the opening of Parliament, during sessions of Parliament and at the closing of Parliament which are so familiarly known that I need not recite them. Outside the Senate Chamber his office accompanies him and dignifies him but the history of that office as disclosed in the Senate records shows from their beginning that in deference to that very dignity which attaches to his office he should be protected from responsibility for or in connection with matters of administrative detail. This has been done by express committal of such matters to others. Those who have the responsibility of administration, however, ought to, and do, confer with the Speaker upon matters which touch the administration of his office, and he has the indubitable right to approach those so responsible, to suggest to and to reason with them. They, in their turn, although in the last analysis supreme within their ambit of authority, should be considerate of and defer to the views of the Speaker when they are adhered to concerning any matter that touches the administration of his office.

It seems to me that these words of the former distinguished law clerk of the Senate are not without relevance to this discussion, and when we are considering this matter later this day perhaps these observations of Mr. O'Connor might be borne in mind.

Hon. Mr. Grosart: Honourable senators, I just make this further comment. When Mr. O'Connor's observations are considered in the discussion that may ensue on this point, will it be remembered, first of all, that Mr. O'Connor was describing a situation that has changed very greatly? Secondly, of course, Mr. W. F. O'Connor could be wrong, as the Leader of the Government will remember in the famous advice he gave in a case in which Windsor was very much involved.

• (1450)

But that is not the point. The point is that we should not, I think, rely too greatly on the opinion given about the status of the role of His Honour the Speaker at that time, because clearly it and many other traditions and customs of this chamber have changed in the meantime.

Hon. Mr. Martin: Would the honourable senator excuse me, I have to leave the chamber at the moment.

On motion of Hon. Mr. Flynn, debate adjourned until later this day.

CANADIAN WHEAT BOARD

STORAGE FACILITIES AT SASKATOON—QUESTION

Hon. Sidney L. Buckwold: Honourable senators, in the City of Saskatoon the Quaker Oats Company has announced that it will cease milling operations in the near future. This will leave unused grain elevator capacity of about 2 million bushels. I would ask the Leader of the Government to inquire of the minister in charge of the Wheat Board if these facilities can be utilized for grain storage, or put to any other use that may benefit the grain industry of Saskatchewan, and, if so, what action the government has taken or will take.

Hon. Donald Smith: Honourable senators, the Leader of the Government has been called out of the house to receive a very urgent message. I am sure my honourable friend will be satisfied if at this time I ask him to give me a copy of the question. If it is possible, I will ask the leader to have it answered before the end of this day, since the house may not be sitting for a few weeks.

Hon. Mr. Buckwold: Thank you. I shall do that.

APPROPRIATION BILL NO. 1, 1972

THIRD READING

Hon. Donald Smith, for Hon. Mr. Cook, moved the third reading of Bill C-175, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1972.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 2, 1972

THIRD READING

Hon. Donald Smith, for Hon. Mr. Cook, moved the third reading of Bill C-176, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

Motion agreed to and bill read third time and passed.

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from yesterday consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. Eugene A. Forsey: Honourable senators, this afternoon I want to start in on the subject of the recommendations of the committee on the monarchy. I believe I have left my copy of the committee's report upstairs. I took it back up there last night. Does anybody happen to have a copy? I took it up last night for the purpose of verifying something for the *Hansard* reporters. Perhaps a page could go up to my office and get a copy of the report there. C'est le volume bleu; il y en a plusieurs. I can start in, however, without the advantage of having it before me.

The report gives an uncertain sound on the subject of the future of the monarchy in Canada. It also suggests a method for dealing with the subject of keeping the monarchy or replacing it by something else, unstated, unspecified, simply described in very vague terms as a Canadian head of state.

I take strong objection to the recommendation of the report, that the monarchy should, in due course, be replaced—because that is what it appears to say, though in quavering and halting tones—and I take objection also to the proposed method of dealing with it by what is called a popular consultation, which I take to mean a plebiscite.

The first thing I want to say about the existing monarchy in this country is that the fact that it exists is once again our own decision. It is not something that is imposed on us and it is not something that was adopted in a fit of absent-mindedness by the Fathers of Confederation or because they were colonial minded or because they were stupid or because they were ignorant. It was deliberately adopted by the Fathers of Confederation, unanimously, and with their eyes wide open.

Here is what Sir John A. Macdonald said on the subject of Resolution No. 4 of the Quebec Conference, which is substantially embodied now in section 9 of the British North America Act. At page 34 of the original edition of the *Confederation Debates*, Sir John said, on this subject:

> If therefore, at the Conference, we had arrived at the conclusion, that it was for the interest—

And observe the word "interest," not "sentiment," not "tradition"—"interest."

> —of these provinces that a severance should take place,—

A severance, of course, from the United Kingdom, the British Crown.

> —I am sure that Her Majesty and the Imperial Parliament would have sanctioned that severance.
>
> . . . . .
>
> That resolution (on the Executive authority) met with the unanimous assent of the Conference. The desire to remain connected with Great Britain and to retain our allegiance to Her Majesty was unanimous. Not a single suggestion was made, that it could, by any possibility, be for the interest—

Observe the word "interest" again.

> —of the colonies, or of any section or portion of them, that there should be a severance of our connection.

And Sir George Etienne Cartier, at page 59, observed that the Americans, and I quote directly:

> . . . had founded Federation for the purpose of carrying out and perpetuating democracy on this continent; but we, who had the benefit of being able to contemplate republicanism in action during a period of eighty years, saw its defects, and felt convinced that purely democratic institutions could not be conducive to the peace and prosperity of nations. We were not now discussing the great problem presented to our consideration, in order to propagate democratic principles. Our attempt was for the purpose of forming a Federation with a view of perpetuating the monarchical element. The distinction, therefore, between ourselves and our neighbours was just this: —In our Federation the monarchical principle would form the leading feature, while on the other side of the lines, judging by the past history and present condition of the country, the ruling power was the will of the mob, the rule of the populace.

In another place, which can be found at page 50 of the Carleton edition of the *Confederation Debates*, Sir George said:

> We all desire to live under the British Crown.

Now, that does not settle the question of whether we should or should not have a monarchy. Obviously, it does not.

Hon. Mr. Flynn: It was said over 105 years ago.

Hon. Mr. Forsey: It deals only with the single point that it is sometimes alleged that this was something that we had no say about. We had our say and it was a unanimous say and a unanimous verdict in favour of the monarchy at that time, among the Fathers of Confederation. Anyone who wants to challenge this, let him produce the records to challenge this or to challenge the assertion of Sir John A. Macdonald, that the desire of the Fathers of Confederation on the subject was unanimous. I have never seen any evidence to the contrary.

Hon. Mr. Flynn: No one is challenging this. We are trying to find out what is the will of the people today, not what it was 105 years ago.

Hon. Mr. Forsey: Sir Robert Borden once said that the quality most required in a Prime Minister is patience. If the honourable Leader of the Opposition will just have a

little patience, I think he will find that I shall get to that point.

Hon. Mr. Flynn: I will never be Prime Minister, I can assure you.

Hon. Mr. Forsey: It could sometimes be a useful quality for a Leader of the Opposition as well. However, the single point I am making now is that this was our own decision. Do not let anybody start this claptrap about how it was imposed upon us, how the Fathers of Confederation were just a set of jackasses who did not know what they were doing.

The next point I want to make is that another objection that is often made nowadays to the retention of the monarchy is that it is part of our British heritage. This objection rolls off me like water off a duck's back. The civil law of Quebec is a part of our French heritage: it is not the same as the law of France, but it is based on the same principles as the law of France. Similarly, our monarchy is not the same as the British monarchy—as anybody can see by looking at various aspects of it—but it is based on that. Certainly it is a part of our British heritage. But this does not worry me in the least. The common law, which is the basis of the civil law of the other provinces, other than Quebec, is another part of our British heritage. The whole basis of our constitutional law and our criminal law is part of our British heritage. We got these things, whether we like it or not—it is a sheer fact of history—we got them from Great Britain; not from the Laurentian Shield, not from Paris, not from Rome, not from Budapest or Berlin or Vienna; we got them from our British heritage.

• (1500)

In a sense you can say that when confederation was being formed our institutions took the imprint of the people who were here, who were mainly people of British and French ancestry. Sometimes we find objection by people of other ancestries to the term "the two founding peoples." Sometimes we find resentment of that. I think the resentment is unjustified. All that we are saying, when we use the term "two founding peoples," is that our institutions took the imprint of the people who were here in the 1860s, and not of other people who had not yet arrived. This does not mean that the civil law of Quebec based on the French civil law, or the constitutional law of this country based on English constitutional law, are better than the corresponding things in these other countries; it is simply that the British and the French were here.

Now, I am a strong believer in bilingualism and biculturalism. I have in the last ten years given plenty of evidence of that. I have exhorted sometimes not very friendly audiences to recognize and appreciate and value the French fact and our French heritage.

I remember some years ago there was a great streamer across Dufferin Terrace in Quebec with the words, "Conservons notre héritage français"—"Let us keep our French heritage." I subscribe to that 100 per cent.

I may say that I was brought up in a family where we considered that the French heritage, the French history of this country, was a part of our heritage and our history. Now, naturally, I cannot perhaps feel that in the same way as such honourable senators as the Leader of the Government or the Leader of the Opposition or Senator Beaubien or my friend Senator Molson, who actually are physically, shall we say, biologically, the inheritors of these two traditions. Nevertheless, I do feel this very strongly. I have always felt proud of the French past as well as the British past of this country. I have always felt that these two inheritances were part of the Canadian tradition. They are not by any means the whole of it. We have added to them. We have modified them. We have changed them. We have improved upon them. We have borrowed from other traditions and doubtless we shall do so again, and more. But these, to my mind, are a part of what it means to be a Canadian.

Some people are just tone deaf to history. They are tone deaf to the glory and the message of England and of France and of Scotland and of Ireland. I think that that is a great pity. I think they are missing something. I think that it means that their Canadianism is not as deeply rooted as it might be. The tendency nowadays to despise our roots and to insist that we must start afresh from nothing, it seems to me, is a dubious tendency. A people which forgets its roots, which loses its roots, is a people with a very doubtful prospect before it.

Some years ago a versifier who shall remain anonymous put the theory of "pure" Canadianism—"pure" in quotation marks—in these terms, somewhat sardonically:

> Pre-Cambrian rock and the magnetic pole;
> These are fit to express the Canadian soul.
> There's nought foreign in these, neither British nor French;
> And either emits an historical stench.
> A pre-Cambrian culture that's bare as a bone,
> A pre-Cambrian culture that's truly our own,
> And the magnetic pole perfect symbol would be
> Of the boast of our song, "The True North Strong and Free".
> For these let our daughters and sons stand on guard;
> Let these be the theme of some national bard;
> These inspire a distinctive Canadian Muse,
> And death to the traitors who homage refuse!

Well, I do not subscribe to that view of "pure" Canadianism. I think a Canadian who has not got some feeling for the roots of his history, for the roots of his tradition, is not as good a Canadian as one who has some sense of these things. I think we need to be more conscious of our mighty dual heritage and prouder of it than a good many of our people seem to be now. We should be prouder of what we have made of that dual heritage.

I again say that I emphasize the importance of our French heritage. I do not think I need to establish my credentials on that point. But what of the other basic heritage we have, the British heritage? Well, I am going to say that a good many of us of British ancestry are tired of being expected to feel apologetic because our ancestors were British; we are tired of having our pride in that part of our heritage and our devotion to that part of our heritage looked down on and tittered at and sneered at and jeered at by the intelligentsia; treated with ridicule by these people. When I say "the intelligentsia," I am remind-

ed of an expression of Dr. Healy Willan, the composer, who in a moment of exasperation once referred to such people as "the intelligentsia, though God knows why they're called so."

We are tired of this kind of thing. We do not see any reason why we should be spoken of as if we were mere commuters from London or Edinburgh or Dublin or Cardiff. A great many of us have our roots in this country and on this continent a very long way back. Our colleague Senator Rowe, for example, can trace his ancestors back on the soil of what is now this country, the Province of Newfoundland, for nearly 400 years—about 350 years. People like myself can trace their ancestors back for 200 years or thereabouts in this country and for 300 years or more on this continent. We do not feel we are commuters. We do not feel we are Englishmen, Scotsmen or Irishmen who just happen to live on this territory and who owe our allegiance to England, to Scotland or to Ireland.

Hon. Mr. Argue: Mine only goes back 150 years.

Hon. Mr. Forsey: We are tired of having this kind of thing thrown at us, and we have had it over and over again. We are tired of being told that we must forswear our heritage and that all the perfumes of the Laurentian Shield will not sweeten the Anglo-Saxon hand.

I must point out that I have never yet heard any of these people in the intelligentsia—

Hon. Mr. Thompson: May I ask the honourable senator a question? You say you are tired of being told this. Who is telling you this?

Hon. Mr. Choquette: His strawman. He always has a bunch of strawmen, you know. There is always a man he meets on the corner somewhere and he demolishes him and then he goes off on a tangent again.

If you are going to talk about the monarchy, then stick to that. I do not want to have to dictate to you, but please stick to the subject.

Hon. Mr. Forsey: If there are any honourable senators who do not like the way I am developing my argument, they are perfectly at liberty to leave. These things, I think, need to be said and I propose to say them. This has something to do with the monarchy, because it is attacked on the ground that it is a part of our British heritage, and I am dealing with that particular point. I am not going to say very much more about it. I can only say to Senator Thompson—excuse me for pointing, I should not have—I can only say to Senator Thompson that he has evidently been much luckier than I have. I have been moving in academic circles to a considerable degree for some time, and I can assure him that among a great many of the academic people this is exactly the kind of thing that I have encountered again and again and again. The avant-garde people, or the people who think they are avant-garde; the "progressive"—in quotation marks; the enlightened people! This is the kind of thing I have had from them again and again and again. And I am sick of it. I think there are other people in this country who have had it and I think they are sick of it. I might add that the people I am talking about are English-speaking people. They are members of the English-speaking intelligentsia, the English-speaking academics. I am not talking about the French-Canadians at all. These same people never seem to ask the French-Canadians or the Ukrainian-Canadians, like my friend and colleague Senator Yuzyk, to forswear their heritage or hang their heads in shame, and groan and lament the fact that they have not got a purely Canadian ancestry reaching back to the days when the first immigrants arrived here from Asia ten thousand years or so ago. They are never asked to forswear their heritage, but we are. Again and again we have been asked to do this. So, I have no apologies to make for the British origin of the monarchy, any more than I have for the French origin of the civil code.

• (1510)

Now, to something that may meet with a little more approval from some honourable senators and may appear more to the point. First of all, why change? What solid reason is there for changing from the existing system to something different? A great deal can be said on this, but I am going to try to be rather brief about it. My feeling about any legislative change is that it has to prove its case. I have no belief whatever, and never have had any belief whatever, in change for the sake of change. If something is working reasonably well, why on earth, with all the things we have to deal with that are not working reasonably well, why on earth fiddle and mess about with something that is working reasonably well? If somebody can show me something that the present monarchical system in this country is doing that is really harming, substantially harming, anybody in the country, then that is another question. I have never heard it yet.

Then the second question I want to ask is: Change to what? Here again we are left very much in the air, as, indeed, I think the Prime Minister pointed out when discussing this matter some little time ago on the public platform. There are 57 varieties of republic to choose from, and in fact that is probably an understatement of the number. I do not know what we are going to be asked to replace the monarchy by, whether it is a Maoist republic, a Nasserite republic, a Soviet republic, a Gaullist republic or a republic à la United States, or a republic such as they have in India. I would presume that the committee, if it has any views on this subject—it is a little coy about it—thinks of something along the lines of a parliamentary republic such as they have in India. But there is nothing very definite about this. I do not know what title would be given to the presiding officer of the possible replacement of the monarchy. I have heard it suggested that he might simply be called the Governor General, but I do not know how satisfactory that would be. A high personage in the Department of External Affairs told me that when the present Governor General was making his tour of various countries as the Canadian head of state, the Department of External Affairs was embarrassed by the fact that his title was Governor General, that people wanted to know where he came from and who he was governor generalling for. They found this very difficult. But, if you preserve the title, it seems to me that you will have exactly the same difficulty and, anyway, I am not really terribly worried about whether foreigners misunderstand our institutions or whether they do not; I am more worried when our own people misunderstand them. I do not see why we should go around changing our institutions just to please, to tickle the ears

of, foreigners, or to make it a little easier for them to understand something.

As for the business of the method of change, the suggestion is that the matter should be dealt with by "a popular consultation." Now if I am right in thinking that that means a plebiscite, I think it is just about the worst possible way that we could deal with this. As things stand at present, let me remind honourable senators, we can abolish the monarchy tomorrow by a simple act of the Parliament of Canada, just as easily as we can pass the bill which came up to us today and which has been deferred until later, just as easily as we can pass a bill amending the Criminal Code, just as easily as we can pass a bill for the abolition of the Senate or for the reform of the Senate. There is no difficulty about it. The proposal that the committee makes is apparently that there should be some kind of plebiscite before any such action is taken.

I venture to point out that we have had experience of two national plebiscites in Canada. One was in 1898 on the subject of prohibition, and the other was in 1942 on the subject of freeing the Mackenzie King government from its pledges in regard to conscription for overseas service. In both of those cases the majority in the country as a whole voted one way, and the majority in the Province of Quebec voted the other way. In the first case the result was nothing; the thing was just consigned to limbo and never heard of again. In the second case, as we all know, very considerable difficulty followed, and the fact that there had been a plebiscite, I think, did very little to ease the difficulties, and I think that is putting it mildly.

Now it seems to me that quite possibly you might have, if you held a plebiscite on this subject, a very large majority in the country as a whole, or a small majority in the country as a whole, for one course, and perhaps a large majority or a small majority in a considerable segment of the country—perhaps the Province of Quebec, perhaps the Provinces of Quebec and Ontario, or perhaps the Prairie provinces, I do not know—a majority the other way. And it seems to me that this would have a divisive effect.

What better have you got to suggest? One suggestion that I think was made in the committee was that we should leave the thing as it was; leave it to Parliament to decide; let the two houses after due deliberation decide what they want to do. Then you will make the decision with some idea of what you are going to put in its place, rather than submit to the people in a plebiscite the question, "Do you want to retain the monarchy?" They do not know in the least what you are going to put in its place, or at least they may not know, since there is nothing on the actual ballot paper to tell them, and they may have to make up their minds, after a fashion, in ignorance of what they are really deciding. Some of them might say, "Well, we don't want to retain the monarchy," but if presented with the alternative which appeared to be satisfactory to Parliament, they might say, "Oh gosh, we didn't realize that that was what we were letting ourselves in for. We don't want that. That is worse than the monarchy."

Hon. Mr. Martin: May I ask Senator Forsey a question?

Hon. Mr. Forsey: Certainly.

Hon. Mr. Martin: You said that the decision could be taken by Parliament.

Hon. Mr. Forsey: Yes.

Hon. Mr. Martin: Was any consideration given in the committee as to the position of the legislatures in the provinces? If there was, or if there was not, what is Senator Forsey's view as to the legal and constitutional participation of the provinces in such a matter?

Hon. Mr. Forsey: I do not think that any consideration, to the best of my recollection, was given to the question of the position of the provinces in the matter. I should suppose that if we passed an act here repealing section 9 of the British North America Act, the provinces also would cease to have a monarchical system of government, because the lieutenant governor being then appointed, presumably still, by the head of state, whatever he was called and however he was chosen, would no longer represent the Crown. He would represent something else; I do not know just what, a president or what-not; or it might be provided that he should be elected by the provincial electorates. There might be a number of consequential amendments which would probably have to go with the repeal of section 9 of the British North America Act.

The other point, however, is that possibly the provinces should have something to say in a change of this magnitude, as some people at least consider it; and it is noteworthy, I think, that in the proposals for constitutional amendment embodied in the Fulton-Favreau formula and again in the proposals in the Charter of Victoria, the provinces were to be given a distinct say in the matter. Anybody who cares to look up either of those documents will see exactly what was proposed. But certainly the provinces—in the one case one-third of the provinces with half the population, and in the other case, with the complicated machinery provided, a certain number of the provinces—would have had a veto on any change in this matter, anything affecting the office of the Queen or the Governor General or the lieutenant governors, in the Victoria charter formula. It seems to me that there is very good ground for asking why on earth we should not leave this question to be handled by the process of constitutional amendment proposed in the Victoria charter.

• (1520)

I am very reluctant to support anything on the subject of constitutional amendment which runs counter to the proposals of the Victoria charter, and I am opposed for what I consider to be substantial reasons. For one thing, the proposals embodied in the Victoria charter were the products of long, intricate and difficult negotiations among the various governments concerned and they represented some kind of tentative consensus, at least, of those governments' views. In the second place, I am particularly uneasy about setting aside those proposals in favour of something adopted by even so good a parliamentary committee as this. The people who drew up the Victoria charter were people of great experience, most of them with very considerable experience, in the responsibilities of government.

The provincial leaders who were assembled were people who, I think it may safely be said, knew from long experi-

ence how the people of their provinces felt, or at least they had a pretty good idea how they felt.

By contrast, I have looked at the membership of our special joint committee on this matter and have found very few members who had had any experience in the responsibilities of government. As far as my memory serves me—and I may have omitted somebody because I have forgotten exactly who was in the various cabinets—we had three members who had been in cabinets of the Dominion of Canada: the honourable Leader of the Opposition, Senator Maurice Lamontagne, and the Honourable Walter Dinsdale from the House of Commons side. As far as I know, we had only two members of that committee, Mr. Fairweather and Mr. McQuaid, who had been members of provincial cabinets. There were three members on the committee when it reported, who had been in dominion cabinets and five out of thirty who had any experience as ministers of either dominion or provincial cabinets. There were another 64 people who were also listed in the report who sat on the committee at one time or another. But of those, only two members, Senator Connolly (Ottawa West) and the Honourable Marcel Lambert from the House of Commons side, had experience in the responsibilities of government.

I think it is rather rash for people on a committee such as ours, most of whom have had no experience in the responsibilities of government, however wise and however learned they may be, I think it is rather rash for them to set aside the considered verdict of the people at the Victoria conference in favour of some other method, and it seems to me a very risky method, of effecting any change that may be deemed desirable.

That we have the power to change is undoubted. We can get rid of the monarchy tomorrow if we want to. If we leave the Constitution the way it is, we can get rid of it by a very simple process, the ordinary process of legislation. I am against the attempts to get rid of the monarchy for the reasons which I have indicated, and I could expand at great length on this. But, thank heaven, I shall not.

Hon. Mr. Martin: May I ask Senator Forsey another question which, in a sense, is kindred to the question which I asked earlier, and which is relevant to the last observation? What is Senator Forsey's authority for saying that the act proposed could take place by an act only of the Parliament of Canada? Surely, section 9 of the B.N.A. Act does not give exclusive authority to the federal Parliament.

Hon. Mr. Forsey: Section 9 of the British North America Act does not give exclusive authority to anybody. But as far as I can make out, it is not one of the parts of the act which still remain subject to formal amendment only by the Parliament of the United Kingdom. It seems to me quite clear that it comes within the ambit of section 91(1), an amendment of the Canadian Constitution, except in regard to matters which are specified. Indeed, I think this is one reason why the exception was made, both in the Fulton-Favreau formula and in the Victoria formula: to remove from the Constitution this exclusive power of the Parliament of Canada to do this, just as at present the power of the Parliament of Canada can abolish the Senate. But it was not deemed desirable either in the Fulton-Favreau formula or in the Victoria formula that this should be done without the provinces being involved in the matter. This was the considered decision of these mature and responsible statesmen of long experience in governmental responsibilities.

I hesitate to set up my layman's view of the meaning of any part of the British North America Act as against the view, however tentative, of members of the Bar, and especially one as eminent as the Leader of the Government. But this is my opinion, for what it is worth.

Hon. Mr. Martin: No, I was not suggesting that.

Hon. Mr. Forsey: Now I pass on to another subject, the recommendations in regard to the Senate. I am not wildly enthusiastic about these recommendations. However, on the whole, I think they are reasonable. I feel they are about as good as we can get, and I feel there is good argument to be made for them. I think it is safe to say that there were certain leading members of this committee who had quite different ideas on the subject at first; and what emerged was something of a consensus after some rather drastic modifications of certain proposals which had been submitted by leading members of the committee. I was quite happy with the original proposals, or moderately so in any event. And I am reasonably happy with these proposals, with one exception, and that is the proposal that the retirement age for senators be lowered to 70. If anybody says, "He is just afraid of being put out on his ear in a couple of years," I reply that the report makes it perfectly clear that it does not apply to existing senators, so I can regard this with an air of complete detachment.

Hon. Mr. Martin: Can we be sure of that?

Hon. Mr. Forsey: I am against this principle of retiring people from such offices at the age of 70. I expressed my dissent from the change in the tenure of judges, other than those of the Superior Courts, last session I think it was, when the same provision was inserted, that judges should retire at 70. I think it is a very dubious proposition indeed. I would like to point out that Mr. Gladstone was Prime Minister of the United Kingdom at the age of 85; Sir John A. Macdonald was Prime Minister of this country at the age of 76; Sir Charles Tupper was Prime Minister at the age of 75; Sir Wilfrid Laurier was Leader of the Opposition at the age of 77; Mr. St. Laurent was Prime Minister at the age of 75.

Hon. Mr. Flynn: I think he died at the age of 79.

Hon. Mr. Forsey: Sir Wilfrid Laurier was 79?

Hon. Mr. Flynn: When he died, yes. I like to pit my memory against yours occasionally.

Hon. Mr. Forsey: I hope you will and will look it up.

Hon. Mr. Flynn: I will look it up.

Hon. Mr. Forsey: He was born late in the year 1841 and died early in 1919, which would put him in his 78th year. I checked on most of these matters in the *Parliamentary Guide.*

Hon. Mr. Flynn: Well, I am closer to his age than you are.

Hon. Mr. Forsey: Bien, c'est une bagatelle; ce n'est pas grand-chose.

He was reasonably elderly, and well over 70.

• (1530)

Hon. Mr. Flynn: This is the essence of much of your speech.

Hon. Mr. Forsey: Mr. St. Laurent was Prime Minister at 75, and he did not retire then because of any age limit. He retired because of the verdict of the electors of Canada, possibly a verdict which they subsequently had cause to wonder about. Churchill was Prime Minister of Great Britain at 80.

To turn to the Bench, Sir Lyman Duff was Chief Justice at 79, and we lost from the Bench two such eminent jurists as Mr. Justice Rand and Chief Justice Cartwright because of the operation of the 75-year age limit, which I think was a lamentable impoverishment of the Supreme Court Bench.

If we turn to this house, we all know that there have been members of this house who have been exceedingly active, vigorous and valuable members at an age far over the age of 70. There are some here now who fall in that category, and there have been others in the past. My mind turns at once to our late colleague. Senator Roebuck, and to the honourable Senator Crerar, whom I knew personally and whom I can certify from personal knowledge to have been in full possession of his wits and a very vigorous mind when he retired from this house, I think just before his ninetieth birthday. The reason he retired then was simply a matter of not being able to come up here and leave his wife, who was ill, in Winnipeg or bring her up here. He was not retiring because he felt that he was senile, or falling into the lean and slipper'd pantaloon, not at all, but he felt that he could no longer, with proper regard for the health of his wife, continue to come up here and perform his senatorial duties.

So I object very strongly, although it is only a minor point, to this proposal that the age of retirement from the Senate should be 70 years of age. This view is, of course, altogether contrary to the prevailing opinion. Nowadays for some people, of course, everybody over 30 is absolutely ga-ga, utterly useless. They might as well be dead, perhaps better; simply cumbering the ground. But I have never believed in the infallibility of age and I have never believed in the infallibility of youth. I think age, even considerable age, has sometimes some very valuable contributions to make. I welcome the proposal that people should be let in here at an earlier age and, in fact, that appointments should be made at a much earlier age. I think this is an excellent idea, but I think also that the more senior members of this house have in many instances, at all events, a very distinct and valuable contribution to make.

Now I turn to another point, and here I am getting almost to the end, the proposals about the House of Commons. There is in the report, at page 37, recommendation 43, a proposal that is intended to cut down the overweening power of the executive over Parliament. This is an intention, an aim, with which I have considerable sympathy and I can see good reasons for it, but I think the proposal that is in here pours out the baby with the bath water. I think it goes beyond what is required. I do not know exactly what would do the job effectively, but I am sure that this does it much more than effectively, too effectively. It goes beyond what is required.

The proposal is, first, that every House of Commons should continue for a maximum period of four years instead of five. Why, I do not know. At present, in effect, it usually does last four years. Very rarely, only twice that I can recall, no, three times, has a Parliament here run its full, maximum duration. Ordinarily it is dissolved at the end of approximately four years, give or take a few months. If you put in this maximum four instead of five, I think the probability is that you would then get dissolution really every three years. Then some bright young radical would come along and say, "You know, we ought really to call it a maximum duration of three years"; and eventually they might get down to the terms of the Great Charter of the Chartists of the 1830s in England, annual parliaments.

I do not know the reason for this four instead of five, but that is not of great importance. What follows, however, is. There should be a term—we have not got a term now in this country for anybody above the rank of municipal councillor—the proposal is that for the first time there should be a fixed term for Parliament of four years, subject only to the power of the Crown to dissolve in certain very special circumstances. First of all, when the government is defeated on a motion expressing no confidence in the government, which, incidentally, may be exactly one of the times when it is not desirable to have dissolution. I shall come back to that in a moment. Second, when the government is defeated on a vote on a specific bill or portion of a bill which the government has previously declared should be construed as a motion of want of confidence. Or, third, when the House of Commons passes a resolution requesting dissolution of Parliament. I think those are foolish proposals.

In the first place, if a government is defeated on a motion of want of confidence, in very many cases the obvious thing is to have a fresh election. But, first of all, suppose that election results in a tie. There are 264 members in the House of Commons. You could have a tie. It is not, perhaps, very likely, but you could have it. I made this point in the committee just a few days before the election on November 28 in Newfoundland produced something like a tie. Everybody was inclined to say, "Oh, pooh, pooh, pooh, pooh; this is a figment of your exuberant Newfoundland imagination!" A day or so later they were not quite so sure that it was a flight of my imagination.

There have been two cases in the history of this country, one in Prince Edward Island in 1859 and one in Newfoundland in 1909, after the election of 1908, when a new legislature could not elect a Speaker and therefore could transact no business at all. If you had this proposal embodied in the Constitution of Canada and you happened to get a tie as a result of an election, it would be impossible for the new Parliament to transact any business; at least it might be, it might simply not be able to elect a Speaker and the Crown would be debarred from dissolving Parliament for a fresh election, as it did in Prince Edward Island in 1859 and in Newfoundland in 1909.

When I pursued this point in the committee somebody said, "Oh well, but you have to realize that people are reasonable and, of course, even if there was a tie, they would find some means of electing a Speaker. You have to assume that they would be reasonable and show common sense." I think possibly the arrière-pensée in the remark was that, "Of course, you cannot expect people in Newfoundland, who are notoriously flibberty-gibbets, to be reasonable but, well, you know, if you take the people of this country as a whole, 264 members representing the people of this country as a whole, you can count upon them to be reasonable."

Well, my dear old friend and former leader, Arthur Meighen, had great faith in the reasonableness of the population of the country and the reasonableness of the House of Commons. But having watched his career, and having watched a few other events in the political life of this country over a considerable period, I am afraid I have not the same faith in the reasonableness, even of members of Parliament. I can well believe that after a hotly fought election, if you got a tie, it might be very difficult and, indeed, quite impossible, to elect a Speaker. Then you would have a complete impasse, a complete deadlock, a complete breakdown in the whole machinery of government. The house could not function, no business could be transacted and a new election would be completely impossible until four years had elapsed. This, it seems to me, is a most radical proposition indeed. I do not think this is what the proposers intended or what the committee expected. I do not think they realized the implications of it. I tried to point them out, but they were like the deaf adder that stoppeth her ears.

• (1540)

Suppose we get over that hurdle. Suppose we get a situation such as arose here after the election of 1925, a situation that has arisen subsequently several times, although in a less aggravated form. Suppose you have a situation where no party has a majority. The existing government decides, as it has a perfect right to do, that it will meet the new House of Commons and see what the new House of Commons says, see whether the new House of Commons wants it or whether it does not want it. Now, suppose, at the very first division of the session, presumably on the Address in Reply to the Speech from the Throne, or it might be on something else, the government is defeated—not by any means a fanciful idea. Then the government, under the terms of this proposal, could perfectly well go to the Governor General and say, "Look, we want a dissolution. A motion has been passed expressing no confidence in the government." Of course, the Governor General, under the traditional reserve powers, could still say no; but, on the other hand, he might feel it was very difficult for him to say no. He might feel that the parliamentary situation was such that it was unlikely that any other party could form a government and get and keep a majority. But this might be exactly the time when, with a newly elected House of Commons, it was undesirable to have a fresh election a mere matter of a month or so after the previous one.

Then I was told, "You have no need to worry about that, because this is not at all likely to happen." I do not know, but I have my doubts about that.

[Hon. Mr. Forsey.]

Then there is the further case of what happens if a government with a clear majority in the House of Commons decides on a great new policy of momentous importance. My mind goes back to the first election that I remember, the election of 1911. The Liberal government of Sir Wilfrid Laurier had decided on a new departure in fiscal policy, the Reciprocity Agreement, the Taft-Fielding Agreement with the United States. It looked like a sure winner. At first the Conservative Party scarcely dared to dream of opposition. Then it began to pluck up heart, and it engaged in obstruction, prolonged obstruction, facilitated, of course, in those days by the fact that there was no closure rule and there was no limitation on the length of speeches; and the Conservative Party obstructed so successfully that eventually Sir Wilfrid Laurier asked for dissolution of Parliament and got it, and the people of Canada were then able to pronounce on that great new issue of public policy, the Reciprocity Agreement, and they pronounced decisively against it.

Now, whether they were right or wrong, for the moment does not matter. The only point I am making is that one of the most valuable features of our constitutional system at present is that an opposition which feels that it has the country behind it on a great new issue of public policy can still, in spite of the changes in the rules, obstruct, and should obstruct.

I am an earnest believer in parliamentary obstruction on matters of sufficient importance. It is like marriage in the Anglican Prayer Book: not by any to be taken in hand lightly, unadvisedly or wantonly, but reverently, soberly, discreetly and in the fear of the Lord.

If you have a big enough issue, parliamentary obstruction is a vital and necessary and salutary part of our parliamentary system. If you had this kind of proposal adopted, it would be impossible, in my judgment, to prevent a government from embarking on a great new issue of public policy and putting it through without the people being consulted.

When I put that point to the committee they said, "Oh well, the House of Commons could vote for its own dissolution." Well, really, one wonders about what on earth goes on in some people's heads! Can you imagine, honourable senators, a government with a large majority in the House of Commons, confronted with parliamentary obstruction on a great new issue of public policy which it was very anxious to carry, turning around and asking the House of Commons to vote for its own dissolution? I find it very difficult to imagine, but then I am a humdrum person and have not got the poet's fancy, glancing from heaven to earth, from earth to heaven, and giving to airy nothing a local habitation and a name.

It seems to me that these proposals are singularly ill advised and, indeed, might be subversive of some of the most valuable parts of our constitutional system.

Next, I come to the recommendations on the Supreme Court of Canada. With most of them I find myself in accord. With one of the smaller variations from what was tentatively agreed to at Victoria, again I find myself in accord. But with the proposal respecting appeals from purely provincial legislation, with the exception of those involving constitutional questions—a very large exception which could perhaps drive a coach and four through the

rest of the proposal—that any province would be free to declare that the appeal should stop with the Court of Appeal of the province, I disagree.

Here I tread on delicate and dangerous ground, because I am not a lawyer; but with due diffidence and humility I venture to question the wisdom of this proposal. First of all, because it was not adopted at Victoria, where the responsible heads of government, those wise, experienced, even wily politicians were assembled. For what must have been cogent reasons, they did not adopt it. I am perfectly certain the proposal must have come before them, because it has been part of the public domain for a long time.

In the second place, I am against it because I have some reason to doubt whether the leading practitioners at the Bar of Quebec are really in favour of it, in contradistinction, shall we say, to some of the professors of law—especially the younger professors—and certain members of the Bar of Quebec whose interests are perhaps rather more political than legal. I cannot speak with any assurance on this, but I have some reason to doubt whether the leading practitioners of the Bar of Quebec are in favour of this kind of proposal.

In the third place, I fortify my lay opinion by the very strong opinion of Professor W. R. Lederman of Queen's University, now the senior professor of constitutional law in this country, and the distinguished member of the Bar of both Quebec and Ontario, who recently retired from the deanship of Osgoode Hall, Professor Gerald E. LeDain, Q.C.

I commend to honourable senators who are inclined to take this proposal in the report seriously, the perusal of Dr. LeDain's article in the *Revue Juridique Thémis* 1967, headed, "Concerning the Proposed Constitutional and Civil Law Specialization at the Supreme Court Level," in which he discusses other matters as well. He deals with this sort of proposal, and with the intricate connection between civil law in Quebec and the federal law, even the English common law, going back before Confederation, if I recall the terms of the article correctly. I think that this particular proposal of the committee is somewhat naive in believing that you can easily disentangle these various matters and even in believing that you can easily disentangle ordinary cases involving ordinary law, shall we say, from cases involving constitutional law. It is almost incredible to anybody not acquainted with the subject how often in what might seem to be matters not involving constitutional law at all constitutional points can come up. The Supreme Court of Canada would be in a much better position to deal even with the constitutional cases if it had the experience of dealing with the intricate interconnections between provincial and dominion law, between civil and common law, in the ordinary cases which come before it.

• (1550)

I am aware, of course, that the Supreme Court of Canada is now overloaded with work. I can see solid reason for doing something about that. But I think it is possible to relieve it of that overload of work without embarking on so radical a proposal as this. I leave discussion of that to gentlemen, or ladies for that matter, learned in the law.

There are three other small points which I want to mention by way of dissent from the recommendations.

There is the proposal that the ratification of treaties should no longer fall to the executive government but should be done by Parliament itself. I think this might lead to a very great deal of waste of parliamentary time. It is not a very important point, but I am not very enthusiastic about this particular proposal. I do not think it has very much value, and it has, on the other hand, a disadvantage in that it might result in parliamentary time being occupied quite unnecessarily with a great many matters of no vast importance to the country.

Next, there is the part of the report that deals with social security, and that sort of thing, where there is a vague and delicate reference to section 94A of the British North America Act. I am sorry, but there is nothing in the report that suggests what, if anything, should be done about section 94A. At present, as I understand it, there are two schools of thought about what section 94A means. Some eminent lawyers say, and my own opinion is that they are indubitably correct, that section 94A gives paramountcy in all the matters concerned to the provinces. Other eminent lawyers say that, in fact, it does not, and that it gives the provinces merely what I think they call residual power in the field. I am inclined to think that this matter should be cleared up.

Hon. Mr. Martin: Concurrent power.

Hon. Mr. Forsey: Yes, it is concurrent, but in my view and that of Professor Lederman and Professor F. R. Scott, the paramount power rests with the provincial legislatures if there is a conflict, whereas the Commons chairman of this committee and ex-Dean Maxwell Cohen of the McGill Law School take the contrary view that the paramount power does not rest with the provincial legislatures in such matters as old age security, pensions, and so forth. I think that should be cleared up.

There is also a recommendation, rather en passant, that section 92, head 10, paragraph (c), ought to be got rid of, the subsection and paragraph which provide that the Parliament of Canada can assume exclusive jurisdiction over local works which it declares to be for the general advantage of Canada or two or more provinces. It is possible that the other recommendations of the committee would make this power superfluous. I am doubtful about that. I think it is a very valuable power to have in there. It has been used a great many times. Professor Andrée Lajoie—for the benefit of the *Hansard* reporter, I may add that Professor Lajoie is a lady; whether it is Mademoiselle or Madame, I do not know—Professor Andrée Lajoie, of the University of Montreal Law School, has written a most valuable book on this subject, *Le Pouvoir Déclaratoire du Parlement*, in which she lists something like 500 instances in which the power has been used. If you look at her list you will see it has been used in some very important cases and some very valuable cases, and cases where otherwise we would have been faced with some very serious practical difficulties. I mention just one: the mines of Flin Flon, Manitoba, are partly in Manitoba and partly in Saskatchewan, and that is exactly the difficulty. I do not know where you go down; whether you go down into the thing in Manitoba and work at the mine face in Saskatchewan, or vice versa; but the fact is the operation is carried on

under the soil of both provinces. As we all know, under the common law the jurisdiction of the legislative authority, whatever it is, goes down into the ground until, presumably, it meets the conflicting jurisdiction of Australia or China, and up into the air indefinitely until it meets the conflicting jurisdiction of Mars or Saturn. Well, the jurisdiction of the Legislature of Manitoba and of the Legislature of Saskatchewan in a matter of labour relations ordinarily is plenary over such things as mining. This does not come under the jurisdiction of the Parliament of Canada. You have a situation there where if a man went down into the mine, we will say, in Manitoba and engaged in a strike he might be engaging in a legal strike according to the Manitoba Labour Relations Act, and when he got out to work at the face he might be engaged in an illegal strike according to the Trade Union Act of Saskatchewan; or vice versa.

Hon. Mr. Flynn: There is a very easy solution: *Locus regit actum.*

Hon. Mr. Forsey: All I can say is it raises a serious practical difficulty, and the solution found was to declare the Flin Flon mine a work for the general advantage of Canada. Of course, the classic instance is the grain elevators, where the Supreme Court of Canada gave a signal illustration of the truth of Mr. Bumble's proposition that, "The law is a h'ass," by declaring the grain trade of Canada a matter of a merely local or private nature, or words to that effect, and the only way to get around it was to declare all grain elevators, past, present and future, works for the general advantage of Canada and bring them under the jurisdiction of the Parliament of Canada where obviously, in common sense, they belong. Anything else would have been totally impractical and ridiculous.

There have been other cases which mystify me, such as the fact that the Ottawa Street Railway was declared to be a work for the general advantage of Canada, so that if it wanted to raise its rates it had to go before the then Board of Railway Commissioners of Canada to get it done and not before the provincial board where you would expect it would appear.

There have been a number of somewhat frivolous instances, but there have been a lot of important instances where this power has been exercised. I should be reluctant to see it taken out unless we are very sure that the substantial value which it may have would be provided for in the committee's other proposals with regard to trade and commerce and the instrumentalities of trade and commerce. It may be that those will cover the gap. I merely sound, as it were, a warning note; I utter a caveat at this point.

And now, what honourable senators have been waiting for with anxiety and with diminishing hope, I come to my last point, and I can be very brief on this.

Hon. Mr. Flynn: I think we have time.

Hon. Mr. Forsey: That is with regard to the legislative jurisdiction over income controls. The proposal of the committee there is substantially that in a time of emergency the provinces should cede—delegate—to the Parliament of Canada the power to control prices and incomes. I find myself in agreement with the two NDP members of the committee that this is a poorly drafted recommendation and that, in fact, it does not go far enough; that in fact we should have here—and I am speaking from memory as to what they say, but I think this is it—that we should have concurrent jurisdiction for the Parliament of Canada and the legislatures of the provinces over prices and incomes, with the legislation of the Parliament of Canada prevailing in case of conflict. In other words, this matter should be dealt with as agriculture and immigration are dealt with under section 95 of the present Constitution. I think that is a sensible proposal. I think it is not really essentially very different from what the committee had in mind, but I think it is better drafted, more effective and clearer.

With that, honourable senators, I finish my dissenting opinions, my "minority report."

• (1600)

I want finally simply to emphasize again that when I have uttered all these caveats and all these dissents, when I have made all these criticisms, some of them pretty severe and couched in pretty strong language, I still think that on the whole this is a sensible report, that it is recommending on the whole the right things, that its proposals will be for the good of the country, and will commend themselves, in time at least, in the main, to the judgment of both houses, and of the people of this country.

On motion of Hon. Mr. Yuzyk, debate adjourned.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Thursday, April 13, 1972, at 8 o'clock in the evening.

Hon. Paul Martin: Honourable senators, before the motion is put, I am pleased to advise members of the Senate that the President of the United States, Mr. Richard M. Nixon, has agreed to address the members of the Senate and the House of Commons in the chamber of the House of Commons at 3 p.m. on Friday, April 14, 1972, on the occasion of his forthcoming visit to Canada.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: Adjourning until April 13 will give honourable senators an opportunity to despatch some business that night, and to hear the President, along with members of the other house, on the following day.

Motion agreed to.

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, March 23, the adjourned debate on the inquiry of Hon. Mr. Croll, calling the attention of the Senate to the Report of the Special Committee of the Senate on Poverty in Canada, tabled in the Senate on Wednesday, November 10, 1971.

Hon. James Duggan: Honourable senators, I want to express my thanks, as other honourable senators have

done, to the members of the Special Senate Committee on Poverty. They have produced a hard-hitting and thought-provoking report. I do not agree with all its details, but I do agree with the committee chairman, Senator Croll, that poverty in all its aspects needs to be widely discussed, and that the committee's report serves as a convenient vehicle for such a discussion. I am pleased therefore, to have the opportunity of adding my bit to this dialogue. I like to think there will be such a ground swell of public discussion on poverty that more enlightened views will inevitably result. These views Canadians will have the opportunity of expressing in a democratic fashion in the not too distant future.

Newfoundland was well represented on the committee by Senator Carter and Senator Cook. From what I read in the press and from what I have been told, the committee managed to do a lot and see a lot when they visited Newfoundland and Labrador. They met and talked with people in St. John's, Cornerbrook, and a variety of communities such as Fogo Island, Cox's Cove, Lourdes, St. Anthony, and Port au Choix.

In Newfoundland and Labrador it is of very special importance that government planning and policy, especially those policies which most directly affect the lives and livelihoods of poor people, are not drawn up and decided in isolation from the wishes and the local knowledge of the people.

Donald Snowden, Director of Memorial University's extension department, and a man recognized throughout North America as an expert in rural and northern affairs, said that there is no group of people in Canada, including those living in the Arctic, that are as isolated as the people living on the Labrador coast, nor are there any as poor. Because of this isolation it is doubly difficult to get across to the people what is available to them. I was particularly pleased, therefore, to see on page 79 of the report that Newfoundland's Department of Social Services and Rehabilitation was singled out and commended by the committee for its booklet *Directory of Services Provided.*

What does the report say to me? It says, for one thing, that the problem of poverty will not be overcome under the current systems. A new system will have to be devised, or the gap between the haves and have-nots will become so great that it will become a most divisive force in Canada.

It is interesting to note that one and a half million people who comprise part of the work force do not earn enough money to file income tax returns. Of the six and half million who did file returns for 1967, more that 40 per cent had annual incomes of under $4,000.

In the debate on the White Paper on Taxation, and indeed in every such debate on changing the tax system, the implication is present, that the most important priority of the tax system is the promotion of economic growth. The assumption is there throughout the debate, that if the economy of the country flourishes all members of society will benefit. This being so, the argument runs, we should do nothing which might interfere with the promotion of economic growth; incentives should be built into the system; nothing should be done to discourage investment; and if there is a deviation from the principles of equity, this is the price which must be paid for our growth.

The fallacy, however, lies exposed before us. We have had in this country a period of virtually uninterrupted economic boom since 1939. Yet poverty is still very much in evidence. In many respects, it appears that economic boom does not benefit those people at the very bottom of the economic ladder at all. In fact, with national average incomes rising, plus the growth of inflation, there is some evidence that those at the bottom are, in real dollar terms, being left farther and farther behind the rest of society. Further, the very evidence of the affluent society which the poor see around them exacerbates the gap, and feeds the hopelessness and frustration of those at the bottom. To have been poor in the 1930s was not necessarily a social crime, or even an insuperable barrier to advancement. To be poor in 1972 is to be a modern-day leper, and the chances of overcoming the poverty barrier are becoming insuperable.

It appeared to the committee that the best way to combat the problem is to hand out money to the poor, to bring them to, and in some cases above, the standard needed to live decently in this country.

• (1610)

The committee estimates the cost of its program as one per cent of the gross national product. Whatever the cost is, the report indicates we cannot afford not to implement the program. The committee said very little about the savings that would occur—savings that would be made by cutting out all the other social assistance programs. In addition, such a plan puts cash in the hands of people whose needs will cause them to spend the entire amount. They are consumers. This being so, huge amounts of money will be poured into the system, which will result in greater profits in all sectors of business, thus yielding higher tax revenue without a rate increase.

Also, the money channelled into low-income families will in many cases be sufficient to help them to help themselves, thus adding to the rolls of taxpayers and eliminating people who will have to take advantage of the plan—in other words, the working poor.

We all know that economic growth and industrialization is leaving behind a large segment of the population which is ill-prepared and ill-equipped to make a major change in its life style. Small farmers and fishermen now enjoy a way of life that should not really be changed, unless they, as individuals, wish it to be so. This culture and this way of life should be allowed to continue, and the people who opt for it should be allowed to enjoy their lives with the dignity of an adequate income.

Can poverty be described simply as inadequate income? The Poverty Committee, the Economic Council, and the Vanier Institute of the Family have all taken the position that poverty is much more than this. The Vanier Institute has suggested that the very essence of poverty is the exclusion, the involuntary exclusion, of some persons from the broader participation in the economic and social life of Canada which is open to most Canadians. If this is indeed the case—and I think it is reasonable to suppose it is—then the phenomenon of poverty in an affluent society is a far more serious and less tractable problem than we have yet recognized and admitted.

If the essence of poverty is exclusion, then the inadequate incomes of the poor may be a symptom or even

perhaps a cause, of this exclusion. This question was explored in the brief of the Vanier Institute to the Senate Committee on Poverty, and I thought its central theme might be of interest to this house.

The hypothesis put forward by the Vanier Institute was that there is in Canada pervasive discrimination against the poor, discrimination which deliberately or inadvertently has become embedded in the policies of nearly all our major institutions. The brief summarized some of the earlier testimony presented to the Senate committee as well as the results of some recent research in Canada. In institution after institution—in the courts, in the school systems, in the operation of various government programs such as housing, in the tax system, in the labour market, in the markets for consumer goods—evidence was available at least to suggest that, even where ability to pay was not involved, the poor were worse off than the non-poor.

• (1620)

Of course, it would not be surprising, where personal expenditures are necessary to acquire certain goods and services, that the poor should have access to less than others. However, where ability to pay is not a criterion upon which goods and services are distributed—as it is not intended to be in our schools, our system of justice, our labour markets, the amount of information by which and the honesty with which consumer goods are sold, and in many other areas—there is evidence that the poor are still at a disadvantage.

If poverty in an otherwise affluent society is indeed a phenomenon of exclusion—an exclusion which those upon whom it is forced would willingly forego, witness the calls of our excluded people for education, not hand-outs; for jobs, not welfare—what are the implications? The first implication is that the causes of poverty are not likely to be found in the characters of the poor themselves, but in their circumstances and environment. The second implication is that the crucial sources of bias must be sought out and altered. This will not be an easy task. Institutionalized bias is a reflection of either inadvertency, or past or current attitudes. It would be foolish to suppose that all discrimination against the poor is accidental, even though some part clearly arises from an underestimation of the costs of poverty, or of the benefits which will accrue from eliminating it. Progress, then, depends upon changed attitudes, and without strong leadership attitudes change slowly. We need strong leadership in Canada dedicated to opening opportunities for the disadvantaged.

What is to be done? To my knowledge there is no public or private agency pursuing the general study of poverty under terms of reference sufficiently broad to comprehend the problem. There are, of course, many specialists in various fields and jurisdictions who are looking at such things as low-income housing, income maintenance programs, legal aid, and a host of other special aspects of the phenomenon of poverty. It is the interrelated impact of all these factors which bears upon the poor, however, and to suppose that we will succeed in understanding poverty with unco-ordinated and specialized efforts carried on in isolation is unwarranted. It is also wasteful. It seems to me that the major recommendation of the Poverty Committee's report, namely, that a Council of Applied Social Research be established at the national level, is one that all honourable senators should support.

I have already referred to the opportunity Canadians will have before very long to express their dissatisfaction with the continued and undeniable existence of poverty in this great and prosperous land. I cannot help but agree with one of this continent's authorities on poverty when he says that we—and by "we" I mean all of us who have earned the title of senator as well as those who are members of the House of Commons—have contributed to the invisibility of poverty by our refusal to accept it as a valid issue, a fact of our life in the seventies.

As long as we avoid the issue of poverty, the poor do not have a chance. The only way their lot can be improved is to make poverty an issue, bring new information to the people, wake up the nation, and issue a challenge and a call to action.

In my view, that challenge and call to action came loud and clear when the Special Senate Committee on Poverty issued its report last November. It is our job now to see that this challenge is met, bearing in mind that widespread poverty and concentrated wealth cannot long endure side by side in a democracy.

We may have sufficient time but, if we do not hurry, we could be too late.

On motion of Hon. Mr. McDonald, for Hon. Mr. Williams, debate adjourned.

AGRICULTURE

DESIRABILITY OF ESTABLISHING STANDING SENATE COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, March 16, the adjourned debate on the motion of Hon. Mr. Argue, that in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said committee by the Senate.

Hon. A. Hamilton McDonald: Honourable senators, I should like to say at the very beginning of my remarks that I rise to support the proposal presented to this house by Senator Argue respecting a standing Senate committee on agriculture. As he pointed out during his remarks, agriculture has always played a leading part in the economy of this country. It seems to many of us from western Canada, and also, I gather, from eastern Canada, who have been or are engaged in the agricultural industry, that this industry, on many occasions, has not received the attention from Parliament that it ought to have received. Perhaps one of the reasons for that is the fact that this house has never, to my knowledge, had a standing committee charged with the responsibility of looking into the problems of agriculture.

I think if the Senate is prepared to accept Senator Argue's motion and we do set up a standing Senate committee on agriculture, that committee will be charged not only with the responsibility of reviewing legislation concerning agriculture which originates in either this house or the other place, but also with the responsibility of

looking into some of the many problems confronting agriculture today which, in many cases, are a repetition of the past. Since Day One agriculture has been faced with very difficult problems. Nor would the future of agriculture indicate to us that those problems are going to disappear. Rather, they are going to multiply.

I can think of many areas in which agriculture faces difficult problems, but I will confine my remarks to western agriculture because I know something about that, whereas I am not that conversant with the agriculture in other parts of Canada.

Hon. Mr. Martin: You were a minister of agriculture at one time.

Hon. Mr. McDonald: But in a wheat province.

Hon. Mr. Choquette: Did you say "a weak province"?

Hon. Mr. McDonald: No, wheat. I resent the implication that it is weak.

Hon. Mr. Argue: Perhaps it became weak since you left.

Hon. Mr. Martin: I am sure he said that in a kindly way.

Hon. Mr. McDonald: It is true that I served as minister of agriculture in my own province for a short time, and I can tell honourable senators from my experience there that agriculture is certainly a portfolio with enormous headaches associated with it. It was at that time, and it is today.

At any rate, one of the greatest problems confronting agriculture today is that created by surpluses. It seems that no matter what product you ask the farmers of western Canada to produce, they produce it in surplus. Probably the only exception to that rule is beef cattle. The only reason that we are not able to produce beef cattle in surplus is that we have limited rangeland available to produce calves. Of course, the only way today by which you are able to increase your production of beef is through the production of more calves, and that will not be possible on any great scale until such time as we are able to develop in this nation, probably through the development of hybrids, a grain that can be produced in sufficient quantities and, consequently, cheaply, to enable us to produce calves in confinement.

• (1630)

When that day comes western Canada will also produce, I suspect, beef in surplus for a short period of time. I say that because when you look at the statistics on the human consumption of beef and the rise in population, the indications are that if we are not able to produce calves in confinement the price of beef will go so high that it will only be the affluent part of our society who will be able to eat beef, and no one wants to see that situation come about.

Recently we have faced great difficulties in Canada, particularly in western Canada, because of the surplus of cereal grains, and the present minister who is responsible for the Canadian Wheat Board has probably done as much as, if not more than, anybody else in attempting to alleviate some of these problems, including any minister responsible for the Wheat Board throughout history.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. McDonald: However, he has not been able to find answers to all the problems. He has searched for advice and help from virtually every farm organization in western Canada. He has searched for help and advice from individuals throughout western Canada. It seems to me that if a standing Senate committee could be helpful to the minister in this area, he would certainly welcome that help, and it is my hope and belief that a committee of this house could be helpful to him.

We have a series of problems confronting us concerning the movement of grain in western Canada, and these problems commence with our farm elevator system. I have made this statement before inside and outside this house, and I want to repeat it today. In my opinion, the country elevator system was designed to handle the crops of 50 years ago and little has been done to update the system to meet the needs of the 1970s and the 1980s. Certainly we have built some larger elevators with larger scales and high-speed buckets, but the design of the elevators and the procedure for handling grain are virtually the same today as they were when I was a boy delivering my first load of grain to the elevator.

Hon. Mr. Martin: That was a long time ago.

Hon. Mr. McDonald: Yes, a long time ago.

Hon. Mr. Flynn: But the Leader of the Government remembers it well.

Hon. Mr. McDonald: But even apart from the design, in my opinion, we have to give real consideration to the fact that the cost of building and operating the system is borne by the producer, and even those companies engaged in the handling of grain in western Canada are advocating a different system so far as country elevators are concerned. I noticed in the last report of the Saskatchewan Wheat Pool a reference to this fact. They point out that under their country elevator system of consolidation they were able to do away with 19 stations last year. But, honourable senators, 19 stations is not a large number. I think of my own home town, with a population of less than 200 people, a town that in 1945 had 325 permit books at the local elevator. At that time there were four elevators in the town. That meant that there were 325 local farmers delivering their grain to four elevators. Today there are about 125 farmers delivering their grain to those same elevators. Those figures indicate to me that there are too many grain elevators in my home town which, I suggest, is no different from many other small towns in the prairie regions.

In my view this problem can only be solved if we are able to implement a rail line rationalization program. This proposal has been under study for many years but little has been done to bring about such a rail line rationalization. Most people in western Canada feel that we should have a rail line rationalization as long as we do not remove the rail line from their home town. The problem is that you cannot have this rationalization without somebody losing a railroad.

This situation arose a few years ago right through the southern half of the constituency which I used to represent in the provincial legislature. A branch line of the Canadian National Railways was removed and, of course, there was a great outcry from the people in the area, and I

bore the brunt of most of it since I was the sitting member of the legislature for the area. Hearings were held throughout the constituency before the line was abandoned. I would point out that this was a situation where two rail lines, CPR and CNR, were running parallel, in some instances only 300 or 400 yards apart and in other instances four or five miles apart. Predictions were made at that time that the communities located on the line to be abandoned would dry up and blow away, and those that were left on the line which was not to be abandoned would grow up by leaps and bounds. That was 15 years ago. What has been the result?

The result has been that the communities situated where the line was torn up, for some strange reason or other, are the ones that are growing and prospering, while those that are still served by the rail line are the ones that are disappearing. The moral of the story is that a rail line of itself does not necessarily mean that communities located along it will prosper and grow. This is not necessarily so.

In this connection, honourable senators, I had an opportunity in 1961 to visit a wheat-growing area of northern Texas. I made it my business to visit a grain-handling community called Hereford, where they had what we would call a country elevator—I say that because it was performing the same function as a country elevator here—but which was designed more in the fashion of an inland terminal. It had a storage capacity of one million bushels and was operated by one full-time employee and one part-time employee. It was not situated on a railroad, so every bushel of grain was trucked in and out. The area it served was different from most areas of western Canada in that practically all the grain that went through that elevator was either consumed in the immediate area, or was trucked by highway into California which is not too far distant from that particular place. That situation does not apply to the prairie regions of Canada where the great bulk of the grain has to be transported for long distances either east or west to elevators that are located on water.

At any rate, it is my hope that a Senate committee would give some consideration to this problem of country elevators and rail line rationalization in western Canada.

• (1640)

We look forward to exporting all the cereal grains for which it is possible to obtain markets. In most instances in recent years—as a matter of fact throughout history—we have been able to supply these grains to our customers abroad. However, we are now faced with a situation where this is not possible. For example, the Canadian Wheat Board was not able to bid on the April sale to Japan because they did not believe it would be possible to move additional grain through the port of Vancouver.

I also understand the Soviet Union has been bargaining with the United States for the purchase of wheat, and discussions have taken place as recently as March 6 last. I believe the only reason the Soviet Union is discussing wheat sales with the United States at this time is because they cannot be guaranteed deliveries from Canada at the time they need delivery of the grain. This is partly brought about by our port facilities, especially those on the west coast.

It seems to me we cannot afford to sit idly by and watch potential markets being lost to our competitive friends simply because we are not able to supply the product when our customers want delivery.

Since March 6 an announcement has been made by the Minister of Transport that the Government of Canada will be taking over the facilities at Prince Rupert. This is a good move on two counts: first, the facilities at Vancouver are obviously not able to handle the volume of grain; and, secondly, operations at Vancouver, especially during the months of January and February, are often disrupted because of the snow and mud slides in the Rockies. These new facilities will make it possible to use a different rail line through the Rockies, and thus provide two alternatives.

I commend the government for having made this move. I hope the industry itself will improve and build new facilities at Prince Rupert so we will be able to use the new port facilities and supply some of the market which, at the moment, is being lost.

There is another problem in western Canada associated with our grain handling facilities. Not too many years ago there was an abundance of grain handling companies vying for the farmers' business in western Canada. I feel in that day and age there were too many companies. Many of them were not large enough to modernize and compete in this competitive industry. I am rather concerned when I see the direction in which we are moving at the moment. It is quite possible that in the near future we could be left with only two grain handling companies in western Canada. The reason I say this is because of the number of grain companies that have sold to, or been taken under the wing of, one or other of the two great co-operative movements, namely the wheat pools and United Grain Growers.

A few days ago you may have noted in the press a report of the Federal Grain Company to the three Prairie pools. It was not only the Federal Grain Company which disappeared because, when it was purchased by the three Prairie pools a week to ten days ago, the Federal Grain Company had already taken over 21 other grain handling companies in western Canada. So there were literally 22 companies which were purchased and went into the ownership of the Saskatchewan, Alberta, and Manitoba wheat pools. I repeat that if this trend continues it is quite possible that in the near future we will be left with only two major grain handling companies.

Hon. Mr. Burchill: Is this due to the tax situation?

Hon. Mr. McDonald: I will come to that in a moment, Senator Burchill.

I believe that progress is best accomplished through competiton, and I do not care whether the system is privately owned, co-operatively owned, or government owned. I feel that any organization which operates without competition is not giving its best service, and it does not matter whether you are dealing with grain handling facilities or flying airplanes, or dealing with national publicity. Competition is the spice of life and we need it in the grain handling industry. God knows that our grain handling companies with competition have refused to mod-

ernize for long enough. What will they do if there is no competition?

Senator Burchill asked a moment ago whether it was due to tax policies that the Federal Grain Company was sold to the three Prairie pools. I feel it was, and I have here some rather interesting figures. During the last fifteen years the Federal Grain Company had an income before tax of over $51.5 million. It paid out $23,781,236 in income and corporate taxes to the federal government, and the Provinces of Manitoba, Saskatchewan, and Alberta. During the same fifteen-year period, the Alberta Wheat Pool had a net profit of $57,249,802. On those earnings they paid tax, not of some $23 million as the Federal Grain Company did, but of $1,938,000.

Now that the three Prairie pools have taken over the facilities of this large, privately-owned Canadian company, the governments of the three Prairie provinces will be losing revenue of approximately $20 million a year. I know of no way in which a privately-owned company which pays a corporation tax of 51 or 52 per cent can compete with co-operatives which are not required to pay corporation tax.

Hon. Mr. McNamara: Honourable senators, I would like to ask what amount these pools paid by way of patronage dividends over this period of time.

Hon. Mr. McDonald: Yes, I am coming to that point. I cannot give you that information. I thought that figure was in the annual report, but I do not see it. All I can give you is the amount of money they paid each year per bushel of wheat, oats and barley. I do not want to go back as far as the year 1925-26, but during 1925-26 on the average they paid out, by way of dividends, about 4½ cents per bushel of wheat. This was the argument used by the wheat pools for not paying corporation tax. They indicated they were paying a patronage dividend to the producers. They said, "But, we pay a patronage dividend to the producer, and the producer pays income tax on it."

• (1650)

That is true, but it is also true that in many instances the dividend, so-called, paid to the producer is nothing more or less than a piece of paper which says, "We owe you $200. You pay the tax on it, and we do not receive the $200." In many instances monies remain in the hands of the pool for 30 years, and there is not even any interest paid.

Now, if this is a logical argument to avoid paying corporation tax, then I am not a very logical man. I would think that if they are going to give me a piece of paper that says they owe me $200, and I have to pay tax on it even though I never receive the $200—well, I have been looking for a business like that for years, and I defy anyone to compete with me if I am able to do that and he is not.

My point is that under the taxing laws of Canada today two companies are encouraged to eventually own all facilities in the prairie provinces as far as grain handling is concerned. I repeat my earlier observation that while it does not matter to me whether they are co-operatives or shareholder-owned companies, I do not want to see only two companies involved in grain handling in western Canada. I think this is bad for the industry, and it is certainly bad for the farmer. The farmer, I believe, wants a choice, and under the present set-up, where we do have the choice, most of our farmers are delivering to one or other of the pools or co-operatives.

For instance, in the year 1970-71 the Saskatchewan Wheat Pool handled 51.48 per cent of all grains. One of the reasons why the Saskatchewan Wheat Pool got this percentage of grains is that it is a good, well run organization. I happened to be a member of a wheal pool committee for many years, and I repeat that I do not think there is any grain-handling system in western Canada that runs a better operation than the Saskatchewan Wheal Pool, but that is no reason for them to run it all. I should like to see the laws of the land amended so that other companies can enter and compete in the industry.

If this motion is agreed to by the Senate today, as I hope it will be, this is another matter which can be considered by the committee. Hearings can be held and expert witnesses called in the hope that we can be of assistance to those who are charged with responsibility for agricultural policies. Be they in the Department of Agriculture, the Department of Industry, Trade and Commerce, or the minister responsible for the Canadian Wheat Board, it matters not. I am certain that they would welcome any assistance that a committee of this house might offer.

It is my hope that honourable senators today will support the motion of Senator Argue.

Hon. Mr. Flynn: At the risk of disappointing my honourable friend, I move the adjournment of the debate.

I am willing to yield to the Leader of the Government, who was the agricultural expert for several years in the other place, but if no one else wishes to speak, I move the adjournment of the debate.

On motion of Hon. Mr. Flynn, debate adjourned.

PARLIAMENT HILL BILL

SECOND READING

The Senate resumed from earlier this day the adjourned debate on the motion of Hon. Mr. McDonald, for the second reading of Bill C-78, respecting the use of the expression "Parliament Hill".

Hon. Jacques Flynn: Honourable senators, I am willing to yield to the deputy leader.

Hon. A. Hamilton McDonald: Honourable senators, when this matter was adjourned earlier today, my purpose in asking for that adjournment was to afford me the opportunity of discussing this matter with the sponsor of the bill in the other place, and also with those having more knowledge of the law and the Constitution of Canada than I. During the intervening period I have been able to find a section in the British North America Act dealing with the words "Legislative Assembly" as they refer to the seat of government in a province. I refer to section 71, which states with regard to the Province of Quebec:

> There shall be a Legislature for Quebec consisting of the Lieutenant Governor and of Two Houses, styled the Legislative Council of Quebec and the Legislative Assembly of Quebec.

I recognize the argument of the Leader of the Opposition concerning the common usage of the word "Parlia-

ment." It is used not only in Quebec. I know it is used in my own province. There, despite the fact that the government buildings are referred to as the Legislative Assembly, most people taking a cab downtown instruct the driver, "Take me to the Parliament Buildings." So there is general usage of the words "Parliament Buildings," despite the fact that the British North America Act tells us that in such a case it is a legislative assembly. I suppose they should be referred to as "the legislative buildings."

However, in view of section 71 of the British North America Act, I doubt the wisdom of accepting the amendment proposed by the Leader of the Opposition. Following his presentation, I wonder if we ought not to refer the bill to committee, rather than attempt to deal with it today. Then the suggestion of Senator Prowse as to the wording could also be considered. If we are prepared to give the bill second reading, I am prepared to move that it be referred to committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. McDonald, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

• (1700)

INTERNAL ECONOMY

SENATORS AUTHORIZED TO ACT BETWEEN SESSIONS AND PARLIAMENTS

The Senate resumed from earlier this day the adjourned debate on the motion of Hon. Mr. Smith:

> That during any period between sessions of Parliament or between Parliaments, the Leader of the Government in the Senate and a senator to be named by him from time to time and the Leader of the Opposition in the Senate, or a senator to be named by him from time to time, be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate; and
>
> That within fifteen days of the commencement of the next ensuing session there shall be laid on the Table, by or on behalf of the Leader of the Government in the Senate, a report covering in reasonable detail all matters relating to the internal economy of the Senate arising during any such period.

Hon. Jacques Flynn: Honourable senators, as far as I am concerned, after private consultation with two former Speakers of the Senate—and I think the present Speaker has also agreed—I see no reason why we should amend the motion. If there is no objection, it should pass as presented.

Motion agreed to.

CANADIAN WHEAT BOARD

STORAGE FACILITIES AT SASKATOON—QUESTION ANSWERED

Leave having been given to revert to Question Period:

[Hon. Mr. McDonald.]

Hon. Paul Martin: Earlier today Senator Buckwold asked a question regarding the Quaker Oats Company, as follows:

> In the City of Saskatoon the Quaker Oats Company has announced that it will cease milling operations in the near future. This will leave unused grain elevator capacity of about 2 million bushels. I would ask the Leader of the Government to inquire of the minister in charge of the Wheat Board if these facilities can be utilized for grain storage, or put to any other use that may benefit the grain industry of Saskatchewan, and, if so, what action the government has taken or will take.

In reply, I can confirm that the Quaker Oats Company has ceased, or will be ceasing, milling operations in the near future. I am informed that the Quaker Oats Company will be placing its grain elevator facilities on the commercial market. I am not in a position to confirm whether or not there is a potential purchaser in the offing, but it is not the government's intention to interfere in what it hopes will prove to be a normal commercial transaction. Grain storage is one obvious purpose to which the facilities could be put by the purchaser.

This being the last meeting of the Senate before the Easter recess, I should like to extend to His Honour the Speaker and to all honourable senators good wishes for a very happy Easter.

Hon. Mr. Flynn: Seconded, and unanimously carried.

Hon. Mr. Martin: I move that we adjourn during pleasure for royal assent at approximately 5.45 p.m.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

> An Act respecting the Electoral Boundaries Readjustment Act.
>
> An Act respecting the Electoral Boundaries Readjustment Act.
>
> An Act respecting the Electoral Boundaries Readjustment Act.
>
> An Act respecting the Electoral Boundaries Readjustment Act.
>
> An Act respecting the Electoral Boundaries Readjustment Act.

An Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act.

An Act to amend the Income Tax Act.

An Act to incorporate Unity Bank of Canada.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Right Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1972.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

To which bills I humbly request Your Honour's assent.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bills.

The House of Commons withdrew.

The Right Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Thursday, April 13, at 8 p.m.

The Senate met at 8 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. John J. Connolly tabled:

Report on operations under the Bretton Woods Agreements Act and the International Development Association Act for the year ended December 31, 1971, pursuant to section 7 of the first-mentioned Act, chapter B-9, and section 5 of the latter Act, chapter I-21, R.S.C., 1970.

Report of the Custodian of Enemy Property for the year ended December 31, 1971, pursuant to section 3 of the Trading with the Enemy (Transitional Powers) Act, chapter 24, Statutes of Canada, 1947.

Report of the Department of Industry, Trade and Commerce, dated March 1972 and intituled: "Private and Public Investment in Canada, Outlook 1972, and Regional Estimates".

Report on the administration of the Public Service Superannuation Act, Parts I and II, for the fiscal year ended March 31, 1971, pursuant to sections 36 and 49 of the said Act, chapter P-36, R.S.C., 1970.

Report on the administration of the Supplementary Retirement Benefits Act for the fiscal year ended March 31, 1971, pursuant to section 11 of the said Act, chapter 43 (1st Supplement), R.S.C., 1970.

Report of operations under the Export and Import Permits Act for the year ended December 31, 1971, pursuant to section 26 of the said Act, chapter E-17, R.S.C., 1970.

Report of the Canadian Livestock Feed Board for the crop year ended July 31, 1971, including its accounts and financial statement certified by the Auditor General for the fiscal year ended March 31, 1971, pursuant to section 22 of the Livestock Feed Assistance Act, chapter L-9, R.S.C., 1970.

Report of the Department of Fisheries and Forestry for the fiscal year ended March 31, 1971, pursuant to section 5 of the Department of Fisheries and Forestry Act, chapter F-20, R.S.C., 1970.

Revised Capital Budget of the National Capital Commission for the fiscal year ended March 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, as approved by Order in Council P.C. 1972-632, dated March 30, 1972.

Report on the operation of the Regional Development Incentives Act and on "Special Areas" incentives for the month of March 1972, pursuant to section 16 of the said Act, chapter R-3, R.S.C., 1970.

Report on operations under Part II of the Export Credits Insurance Act for the fiscal year ended March 31, 1972, pursuant to section 27 of the said Act, Chapter 105, R.S.C., 1952.

UNITED NATIONS

CANADIAN DELEGATION TO THIRD CONFERENCE ON TRADE AND DEVELOPMENT, AT SANTIAGO, CHILE

Hon. John J. Connolly: Honourable senators, may I be permitted to draw to the attention of the house the fact that the Leader of the Government, the Honourable Paul Martin, is obviously not in his place. The reason for his absence is that he is in Santiago, Chile, where he is leading the Canadian delegation to the Third United Nations Conference on Trade and Development.

As honourable senators know, UNCTAD is an organization of the United Nations which is responsible for the promotion of trade, particularly with a view to encouraging trade with some of the less-developed parts of the world. I am informed that there will be considerable discussion there on problems related to access for products of the developing world to markets of industrialized countries. The conference will consider programs to assist the less-developed countries, and there is likely to be some discussion of monetary problems and the operation of the international monetary system.

I am informed also that this conference is a very large one. One hundred and thirty countries will be represented, in addition to representatives of the whole United Nations system.

In closing, I point out that it is appropriate that Senator Martin should lead the Canadian delegation to this third conference of UNCTAD, inasmuch as he led the Canadian delegation to the first conference held in Geneva in 1964.

ADJOURNMENT

Hon. John J. Connolly: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, April 25, 1972, at eight o'clock in the evening.

Motion agreed to.

• (2010)

HON. EDGAR FOURNIER

FELICITATIONS ON RETURN TO CHAMBER

On the Orders of the Day:

Hon. John J. Connolly: Honourable senators, I rise, to say how delighted we all are to see the Honourable Edgar Fournier back with us again. I know I speak for all honourable senators in saying that we welcome him back very heartily.

Hon. Senators: Hear, hear.

Hon. Edgar Fournier: And for my part, it is nice to be back.

POVERTY

DEMONSTRATION IN MONTREAL—QUESTION OF PRIVILEGE

Hon. David A. Croll: Honourable senators, I rise on a question of privilege. I should like to quote from a news story in the Montreal *Gazette* of Wednesday, April 12, 1972, which reads in part as follows:

> About 75 inner-city residents were ejected by police from the Point St. Charles welfare office yesterday after protesting the suspension of $10 dietary supplements for nearly 400 Point welfare families.
>
> The anti-poverty demonstrators also occupied the Centre St. Office to try to install a welfare information booth.
>
> No arrests were made by police who read the "Riot Act" to protesters from the Point Equal Rights Movement (PERM).
>
> When they refused to leave, police carried each demonstrator downstairs from the second floor office to the street.
>
> The $10 per month allotment, according to the Social Welfare Act (Bill 26), may be given to seriously undernourished recipients who require a high protein diet.
>
> Last summer a Montreal Catholic School Commission study revealed that more than half of 3,424 children from eight inner-city schools were physically sick—due in part to poor diet.
>
> More than 10 per cent were so ill they required hospital care.

That is the end of the quote.

Hon. Mr. Choquette: I hope it is the end of your speech too.

Hon. Mr. Haig: What is the point of privilege?

Hon. Mr. Croll: I am about to raise the point of privilege.

Hon. Mr. Walker: What are you running for?

Hon. Mr. Croll: I think I have given enough background to make the point that never before in this country, to my knowledge, has the "riot act" been used as a response to the appeals of undernourished people seeking nourishment, or poverty-stricken people seeking food. This is a travesty of justice, an unwarranted, unjustified and unprecedented abuse of process.

If you look at sections 65 to 69 of the Criminal Code, you will see that the reading of a proclamation—usually termed the "riot act"—converts the potential offences of riot and unlawful assembly, which are punishable by a maximum of two years' imprisonment, into offences punishable by imprisonment for life. I shall read the proclamation.

Hon. Mr. Walker: Before you do that may I ask whether anybody was charged?

Hon. Mr. Croll: Apparently no arrests were made.

Hon. Mr. Walker: Then why read it?

Hon. Mr. Croll: I think it is important that I should read it to indicate the possibilities that arise following the reading of the "riot act."

Hon. Mr. Walker: There are possibilities in everything.

Hon. Mr. Croll: I quote from section 68 of the Criminal Code as follows:

> Her Majesty the Queen charges and commands all persons being assembled immediately to disperse and peaceably to depart to their habitations or to their lawful business upon the pain of being guilty of an offence for which, upon conviction, they may be sentenced to imprisonment for life. GOD SAVE THE QUEEN.

That, honourable senators, is the proclamation. I am distressed to think it has come to this anywhere in Canada. I presume, as a matter of jurisdiction, we cannot interfere with the administration of justice within a province. Nevertheless, I rise to protest, and protest I do in the only way I know how.

METROPOLITAN ILARION OHIENKO, PRIMATE OF THE UKRAINIAN GREEK ORTHODOX CHURCH OF CANADA

TRIBUTES

Hon. Paul Yuzyk: Honourable senators, I would like to inform the members of the Senate that on March 29 Metropolitan Ilarion, the spiritual leader of the Ukrainian Greek Orthodox Church of Canada, died in Winnipeg at the age of 90 and was buried yesterday, April 12. In the scholarly world he was known as Dr. Ivan Ohienko.

His Grace, Metropolitan Ilarion was born in Brusyliv, Ukraine in 1882. After completing his studies at the University of Kiev, he taught philology and was active in the field of education. Dr. Ivan Ohienko supported the cause of Ukrainian independence after the downfall of Russian monarchy in 1917. During the existence of the Ukrainian National Republic (1917-1921) he was minister of education and religious affairs in the government, and the founder and rector of the University of Kamenetz-Podilsk.

After the Russian communist conquest of Ukraine, Dr. Ohienko went into exile in Poland where, at the University of Warsaw, he was professor and chairman of the Department of Old Church Slavic from 1926 to 1932. In 1940, during the Second World War, he was ordained bishop of the Orthodox Church, but was unable to exercise his duties very long because of the war conditions. In 1944 he sought refuge in Switzerland, and three years later in 1947 came to Canada where he settled down permanently in Winnipeg.

In 1951 a special synod (sobor) of the Ukrainian Greek Orthodox Church of Canada elected Metropolitan Ilarion as head and primate of the Church with the See in Winnipeg. Here he became Dean of the Faculty of Theology at St. Andrew's College and honorary professor in the Department of Slavic Studies at the University of Manitoba, at which time I was a member of the staff until my appointment to the Senate in 1963.

Metropolitan Ilarion was an outstanding scholar and the author of over 1,000 books, essays, sermons and articles. Recognized as the greatest authority on the Ukrainian language, he worked for many years on the translation of the Bible into modern Ukrainian, which was published by the British and Foreign Bible Society in 1962, the fulfilment of a cherished dream. Because his writings are so

numerous, and so many of a high calibre, it would be unfair if I began to list only some of them. Suffice it to say, his contributions to scholarship are in many fields.

Having known the Metropolitan personally for over 20 years, I would like to pay him the highest of tributes. I can say with full conviction that he was a man of high principles, high morals, great integrity, high standards, and sincere friendship. His love of the Ukrainian culture and language he transmitted to the young generation through his publications, his speeches, his teachings, his discussions, and his example of devotion and hard work. He has left an indelible impact on the development of Ukrainian education and culture in Canada. This great scholar, teacher, and clergyman has influenced millions of people throughout the world, and he will live in the fond and grateful memories of his beloved people for many generations to come.

• (2020)

About 2,000 people paid their last respects to this great man at the solemn funeral which was held yesterday in St. Mary's the Protectress Cathedral in Winnipeg. The majestic Byzantine-Rite Pontifical Liturgy was celebrated by five bishops, a large number of clergymen, a fine choir, and hundreds of responding faithful.

At the dinner in honour of the deceased, which was held following the funeral, condolences and tributes were expressed from Ukrainian churches, universities, organizations, and leaders of communities throughout the world. Telegrams of sympathy were also conveyed by Governor General Roland Michener, Lieutenant-Governor Stephen Worobetz of Saskatchewan, Prime Minister Pierre Elliott Trudeau, Premier Edward Schreyer of Manitoba, Premier Allan Blakeney of Saskatchewan, and other Canadian leaders. I had the honour of representing the Senate at this funeral.

I should like to repeat in part what I stated at the funeral dinner. I said that the Speaker and the members of the Senate sent their heartfelt sympathy to the surviving children and their families, Mr. George and Mr. Anatoly Ohienko of New York, and Mrs. Lesia Bida of Sherbrooke, Quebec, and to the bishops, the clergymen, and the faithful of the Ukrainian Greek Orthodox Church of Canada. It was a great privilege to have this distinguished man, Metropolitan Ilarion Ohienko, as a citizen of our country, which has greatly benefited from his scholarship and leadership. May his example inspire many people to greater and nobler heights in the fields of education, better human relations, and cultural and spiritual progress.

Hon. John J. Connolly: Honourable senators, we are all most indebted to Senator Yuzyk for drawing our attention to the sad death of Metropolitan Ilarion Ohienko. It is obvious from what Senator Yuzyk has said that Canada has indeed lost a significant church and educational figure. He has been in Canada for a quarter of a century, yet he died full of years having had several careers in Europe. Obviously he was a scholar, a writer, an educator, and a statesman as well as a churchman.

I think it is also noteworthy that men of his eminence should come to Canada to minister to the peoples from whom they sprung, the people whom they know, whose culture they understand, whose religious traditions they enrich and embellish.

Our sympathy goes out in full measure to all his relatives and to his colleagues in the Ukrainian Orthodox Church.

[Hon. Mr. Yuzyk.]

UNEMPLOYMENT INSURANCE ACT, 1971

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. John M. Macdonald moved the second reading of Bill S-2, to amend the Unemployment Insurance Act, 1971.

He said: Honourable senators, generally speaking, under the Unemployment Insurance Act unemployment insurance benefits are payable to an insured person who qualifies to receive such benefit. In order to qualify, a person's employment must, of course, be one which comes under the definition in the act of an insurable employment, and "insurable employment" is defined as employment not included in "excepted employment." Subsection (2) of section 3 of the act sets out what is excepted employment.

Under paragraph (a) of section 3(2), one type of excepted employment is that of a person who is over 70 years of age or to whom a retirement pension has at any time become payable under the Canada Pension Plan or the Quebec Pension Plan. Under section 31 of the act an initial benefit period shall not be established for a person 70 years of age or over or to whom a retirement pension has become payable under either the Canada Pension Plan or the Quebec Pension Plan.

Honourable senators, all this simply means that a person 70 years of age or over is not eligible to draw unemployment insurance, no matter if he is working in the same manner and in the same job as when he was under 70 years of age. The same situation applies if a person is entitled to a pension under one of the two plans I have mentioned.

In my opinion, this provision does not make sense. If a person 70 years old or more is employed and wants to work, and is capable of doing so, then I say good luck to him or to her, and if in the course of his employment there are idle times then, of course, he should be able to draw unemployment insurance benefits in the same manner as a younger person.

I do not know the reasoning behind this provision in the act, or if there was any reason. I would hate to think it was put there to act as a pressure to keep older people out of the work force. I would not expect there would be so many as to make any substantial difference to the labour market, and neither would I expect that people of this age would be a source of competition to younger people, as older persons would have special skills which would not be too common. If the reason for this willful discrimination is to force or pressure older persons out of the labour force, then our economic situation must be much worse than I think it is. It must be bad if the balance is upset by the employment of persons over 70.

I realize, of course, that the unemployment situation is bad, but I do not think it would be helped to any great extent by such tactics. It is a grave injustice to people over

70 years of age to have this provision in the act, and that is why I would like to see it eliminated.

Again, I cannot understand why the same provision should apply to those to whom retirement benefit is payable under the Canada Pension Plan or the Quebec Pension Plan. Surely if a person has made his contribution to a pension plan he is entitled to the pension when it becomes due. The fact that he is entitled to a pension should have no bearing whatsoever on his employment after he receives such pension or is entitled to it, and if he gets employment while on pension then he should, as a matter of right, be covered and protected by unemployment insurance.

• (2030)

Honourable senators, I suppose one only realizes the full effects of the provisions I have mentioned, and which by this bill I seek to have removed, if he comes up against a particular case. It was brought home to me last year when I learned from a friend and long time neighbour what had happened to him. He was and is a wireless operator who worked for many years with the Marconi Company and retired on pension when he was 65. Being an active man who enjoys good health he wished to continue working, and has done so. He has worked as a wireless operator on ships, and his services have been in considerable demand during vacation times and when because of illness or other reasons the regular operator could not work. At times he has made several long voyages. Being very competent and reliable, his services have been in demand. Indeed, last year he was the operator on the first ship to go from Canada to the People's Republic of China. This ship was sold to the government of that country. I may add he tells an interesting story of what they saw in that country or rather what they were shown as they could not do any sightseeing without a guide.

In any event this man is now over 70 years of age. He is willing, capable, ready and, indeed, anxious to keep working. His type of work is not steady and there are bound to be times when he is unemployed; if he were a few years younger he could draw unemployment insurance during such periods. Yet, because he is over 70, he cannot qualify for such insurance.

Honourable senators, the whole thing is just too ridiculous. Perhaps it will be said that this bill is being introduced just to correct a situation relating to one man. I would be surprised if there are not more in the same category. But even if there is not, and if only one person suffers an injustice on account of these provisions in the Unemployment Insurance Act, then that is good and sufficient reason to change the act and so remove the injustice.

Honourable senators, believing, as I do, that Bill S-2 will remedy an injustice and correct a most illogical situation, I ask you to support it.

On motion of Hon. Mr. Connolly (Ottawa West), for Hon. Mr. Martin, debate adjourned.

The Senate adjourned until Tuesday, April 25, at 8 p.m.

The Senate met at 8 p.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Capital Budget of Central Mortgage and Housing Corporation for the year ending December 31, 1972, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, as approved by Order in Council P.C. 1972-607, dated March 28, 1972.

Report relating to the administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1972, pursuant to section 41(2) of the said Act, chapter F-5, R.S.C., 1970.

Report of Air Canada for the year ended December 31, 1971, pursuant to section 27 of the Air Canada Act, chapter A-11, R.S.C., 1970.

Auditors' Report to Parliament on the accounts of Air Canada for the year ended December 31, 1971, pursuant to section 28 of the Air Canada Act, chapter A-11, R.S.C., 1970.

Report on the operations of the Shipping Conferences Exemption Act for the year ended December 31, 1971, pursuant to section 12 of the said Act, chapter 39 (1st Supplement), R.S.C., 1970.

Report on work performed and expenditures made as at December 31, 1971, together with estimated expenditures for 1972, under authority of chapter 3, Statutes of Canada, 1968-69, respecting the construction and completion, by the Canadian National Railway Company, of a line of railway from near mile 17 of the Windfall Extension to the Sangudo Subdivision in a westerly direction approximately 51 miles to Bigstone in the Province of Alberta, with a connecting line approximately 9 miles in length from a point near mile 38 of the said 51 mile line, pursuant to section 8 of the said Act.

Report of The Canadian Wheat Board for the crop year ended July 31, 1971, including its financial statements certified by the Auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter C-12, R.S.C., 1970.

Report of the Cape Breton Development Corporation, including its financial statements and Auditors' Report, for the year ended December 31, 1971, pursuant to section 33 of the Cape Breton Development Corporation Act, chapter C-13, R.S.C., 1970.

Report on proceedings under the Canada Labour Code Part V (Industrial Relations) for the fiscal year ended March 31, 1972, pursuant to section 170 of the said Code, chapter L-1, R.S.C., 1970.

Copies of a document, issued by the Department of Energy, Mines and Resources under date of April 18, 1972, describing the types of investigations being pursued by various government departments and agencies under direction of the Task Force on Northern Oil Development.

Report of Eldorado Nuclear Limited and its subsidiary, Eldorado Aviation Limited, including their accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Northern Transportation Company Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Copies of Convention on Social Security between Canada and the Federal Republic of Germany (with final Protocol). Done at Ottawa March 30, 1971. In force May 1, 1972.

Report of the Master of the Royal Canadian Mint, including accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report on the administration of the Canada Pension Plan for the fiscal year ended March 31, 1971, pursuant to section 118, chapter C-5, R.S.C., 1970.

Copies of Agreement between Canada and the United States of America on Great Lakes Water Quality. Done at Ottawa April 15, 1972. In force April 15, 1972.

Copies of a document entitled "Economic Review", issued by the Department of Finance under date of April 1972.

Copies of Order in Council P.C. 1972-723, dated April 18, 1972, amending Part II of the Schedule to the Hazardous Products Act, pursuant to section 8(3) of the said Act, chapter H-3, R.S.C., 1970.

RICHARD M. NIXON
PRESIDENT OF THE UNITED STATES OF AMERICA

ADDRESS TO MEMBERS OF BOTH HOUSES

Hon. Paul Martin: Honourable senators, I would ask leave that the address of the President of the United States of America, Mr. Richard M. Nixon, to members of both Houses of Parliament, delivered on Friday, April 14, 1972, together with the introductory speech by the Right Honourable the Prime Minister of Canada, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate*, and form part of the permanent records of this house.

Hon. Senators: Agreed.

For text of addresses see appendix, pp 308-11.

UNITED NATIONS

TWENTY-SIXTH SESSION—THIRD COMMITTEE OF GENERAL ASSEMBLY

Hon. Renaude Lapointe rose, pursuant to notice:

That she will call the attention of the Senate to the work of the Third Committee of the General Assembly of the United Nations during its twenty-sixth Session, held in New York from 21st September to 22nd December, 1971.

[*Translation*]

She said: Honourable senators, several of my honourable colleagues who came to New York as observers to the United Nations General Assembly have summarized their impressions in an interesting review of the activities of the United Nations and the role of our country within the organization. As a member of the Canadian delegation in 1970 and 1971, I was privileged because in 1970 impressive ceremonies marked the celebration of the 25th anniversary of the United Nations, and 1971 was the year when China was admitted to membership and a new Secretary General, Mr. Kurt Waldheim, of Austria, was elected.

Today, I shall speak mainly of the activities of the Third Committee, because it includes almost equal numbers of male and female representatives and is often, although unjustifiably, considered to be concerned only with issues related to women or families, whereas its concerns, which are defined as social, humanitarian and cultural, involve problems related to humanity as a whole.

However, let us start at the beginning. During the United Nations' first ten years of existence, the Human Rights program was first geared toward the definition of principles and their integration in a series of international instruments. These are the Covenant on Economic, Social and Cultural Rights and the Covenant on Civil and Political Rights and several other agreements and declarations derived from the United Nations Charter and also from the Universal Declaration of Human Rights which was promulgated in 1948.

• (2010)

Unfortunately, enforcement of those rules did not follow the legislative pace of the United Nations. And so, from 1955 on, the program was modified and divided into three parts:

First, every three years member states must report to the Secretary General on progress achieved and difficulties encountered in their respective countries; in addition, every year the Third Committee makes a survey of the situation with regard to the signing and ratifying of the various pacts and conventions.

Secondly, a series of comprehensive studies, based on information provided by governments, several non-governmental organizations and reputed scholars, emphasize the general evolution, the progress accomplished and the steps taken to protect human freedom throughout the world; those studies also contain objective recommendations.

Thirdly, at the request of the governments, UNO gives assistance on any matter related to human rights, provided that assistance is not already supplied through technical aid programs. It also organizes symposiums in order to bring the leaders together to stimulate their awareness of problems, and it grants scholarships to the graduates of under-developed countries and enables them to study in foreign countries the human right protection systems built into the administration of justice, or the organization of social security, et cetera.

It is therefore in the light of all information provided especially by the Economic and Social Council and by its Commission on Human Rights, that the Third Committee of the General Assembly is entrusted with the final examination of the cases under consideration and with the passage of the resolutions aimed at their settlement. Once ratified by the General or Plenary Assembly, the resolutions being carried by the various committees compel the Secretary General to have them enforced.

For example, if the Third Committee—made up of as many representatives as there are member countries in the United Nations—recommends by a majority vote that an international congress, let us say on youth and the use of drugs, be held, the Secretary General must take the necessary steps so that the congress is held. However, when a recommendation entails some expenditures it must, before it is passed by the Plenary Assembly and thus binds the Secretary General, be approved by the Fifth Committee which deals with the UN budget.

A glance at our orders of the day of our 1971 session will convince you of the variety and great number of questions under consideration. Some points are raised each year, particularly by concerned group. The Afro-Asiatic group, for example, is specifically anxious to carry on the debate on the abolition of racial discrimination of all kinds as well as on the right of people to self-determination and the granting of independence to colonized countries and nations. For these reasons, year after year, we hear the same speeches condemning the policy of apartheid in South Africa, the colonialist policy of Portugal, which still maintains under its rule Angola, Mozambique and Bissau Guinea, the obstinacy of South Africa in refusing to end its trusteeship over Namibia or South West Africa and lastly the racist regime of Ian Smith in Rhodesia. Having now a majority in the UN, African and Asian delegates can easily obtain a priority for subjects that are of high concern to them. We should probably feel the same way if we were in the same situation. What is somewhat absurd is that representatives of those same countries in other committees also want to examine these problems under another aspect, be it political, economical or legal. Last year, for instance, during the same week, four committees were discussing apartheid separately, which many people feel is a duplication that should be corrected.

Socialist countries also have their favourite subjects, their hobbyhorses. Two items that are boring to most delegations but are steadfastly maintained on the agenda are the punishment of war criminals and measures to be taken against nazism. Here again, we have to put up with long repetitious speeches and endorse resolutions that are practically carbon copies of those of previous years. What the socialists want is to bring all countries to subscribe to the Convention on the imprescriptibility of war crimes. They also want to emphasize that there are still staunch supporters of nazism in West Germany and elsewhere, and that contemporary expressions of nazism, combining

racial prejudice, discrimination and terrorism, exist particularly in South Africa and should be fought.

Other points, however, are of more general interest. On the humanitarian level, for instance, the very complex matter of respect of human rights in time of armed conflict—that is, the protection of civilians, the wounded, war prisoners, and journalists—took up a number of the Committee meetings. After first being considered in 1970, this matter was referred to a conference of government experts, sponsored by the International Committee of the Red Cross, which took place in Geneva in the spring of 1971; then discussions were resumed in New York last fall.

The crux of the problem is that, valuable as they are, existing humanitarian tools such as the Geneva Conventions of 1949 are inadequate. We must take into account contemporary methods of combat such as guerrilla, as well as new facts which have an impact on the respect of human rights. It is felt that while enforcing stricter respect of existing conventions, we must also formulate additional regulations applicable to all kinds of armed conflict. To this end, it is very important to maintain close co-operation between the UN and the International Committee of the Red Cross. A second session of the conference of experts is to be held in Geneva in the spring, and all signatory states to the Geneva Conventions have been invited.

In those 1949 Conventions, there is no mention, for instance, of the use of napalm and other incendiary weapons which are considered very cruel. Our Committee, therefore, requested an objective and comprehensive report on this matter by qualified government experts.

A preliminary project concerning protection of journalists was also discussed at length. Socialist countries particularly consider that journalists, who, according to them, are often infiltrated by spies and undesirable individuals, deserve no more protection than is granted to noncombatants. However, many delegations are in favour of issuing a safeguard card to bona fide journalists who would undertake to show an objective attitude and respect for the laws of the host country. The extent and duration of such protection, problems of indentification of journalists, the procedure to be followed for issuance or withdrawal of cards and the limits of their validity in space and time, such are only some of the details which will require further discussion next fall.

[*English*]

• (2020)

But the most important point for the WEO group, which, as honourable senators know, means West Europeans and others—the word "others" including Canada, the U.S.A., Australia and New Zealand—was the project of creating the post of a United Nations High Commissioner for Human Rights, a project strongly opposed by the Socialist and the Arab groups, and which gave way in 1970 to regrettable incidents and obstruction inside the commission. Discussed briefly in 1970, its consideration had been deferred until 1971, and, in between, a consultation process took place and an informal aide-mémoire was circulated among all permanent missions.

[Hon. Miss Lapointe.]

Together with many Latin American countries, the WEO group expressed the opinion that the achievements of the UN regarding universal promotion and protection of human rights had not fulfilled the promise of the charter. The disparity between the achievements of the UN in the field of legislation and in the field of implementation had led, seven years ago, the delegation of Costa Rica to reintroduce the idea proposed in 1950 by the delegation of Uruguay of creating the post of High Commissioner.

The Costa Rica suggestion was referred to the Commission on Human Rights, which placed a concrete proposal before the Economic and Social Council, usually called ECOSOC, which in its turn recommended that the assembly adopt a resolution establishing that post.

One of the arguments most commonly used against the creation of this office is based on the belief that it would interfere in the internal affairs of states. But the sponsors answered that there was a serious misconception in that belief. Basically, they said, the main emphasis of the mandate is on assistance to states. The point of departure was that governments are interested, or should be interested, in safeguarding human rights, and that they might well wish to avail themselves of international assistance for this purpose, which could be done in a variety of ways. To sum up, the sponsors expected the High Commissioner to let himself be guided in all his activities by a very high degree of political judgment and understanding, and they repeated that his task is not to exert political pressure but genuinely to assist countries in the promotion of human rights.

Another argument was that the High Commissioner would be so flooded with complaints from individuals that it would be impracticable for him to deal with all of them. Should that hypothesis be true, answered the sponsors, it must be taken as a genuine sign that people all over the world consider the present system to be seriously lacking, and that consequently the expected flood of communications constitutes an additional argument for the creation of the post.

Some delegations also feared that the appointment of the High Commissioner might come as a political decision putting in danger the impartiality and independence of the appointee. So the sponsors agreed to make an important change as compared to the draft submitted by the Economic and Social Council and to propose that the High Commissioner be elected by the assembly.

The sponsors were, of course, aware of the fact that the financial situation of the UN had given rise to misgivings on the part of some delegations as to the wisdom of incurring additional expenditure. But they stated that financial difficulties should not be allowed to stand in the way of desirable programs and activities within the UN and that each new proposal had to be judged on its own merits. As for the financial implications, the secretariat was foreseeing an expenditure in the order of $350,000 for the first year. But the sponsors added that the estimates would have been carefully scrutinized by the competent organs of the UN.

In spite of what we might call an active lobbying on the part of the WEO group and in spite of the efforts of the Swedish representative who introduced a draft resolution on behalf of nine countries including Canada, and who

delivered a solid speech prepared in co-operation with the Canadian expert on the subject, Professor R. St. John MacDonald, dean of the faculty of law at the University of Toronto, who among others also spoke vehemently, the opposition group stood unyielding. A further study of that point has even been deferred until 1973 by a surprise amendment in plenary. That was the last blow, showing that the idea of a High Commissioner for Human Rights is far from being ripe.

[*Translation*]

Our proceedings are not, however, limited to the items enumerated, since there were 17 on our agenda, which is much too heavy. Priority was given to the study of a lengthy quadrennial report, completed in 1970, on the world wide social situation. This report included no less than 16 booklets and several appendixes and it was discussed at length, particularly by delegations who felt that the situation in their country was not represented with sufficient objectivity or accuracy, and who were unhappy with the criteria for comparison. Canada recommended that the next report, due in 1974, contain more structural and intersectorial analyses and we stressed the usefulness of family planning programs and the necessity that social aspects of development be given the same importance as economic aspects.

Each year also, the Third Committee receives the High Commissioner for Refugees, Prince Sadruddin Aga Khan. He submits his annual report and receives solemn pledges from member countries for payment of their contribution for the following year. The Canadian pledge was for $400,000 in 1970, and the same amount in 1971, representing a very generous contribution. In 1971 a special resolution was concerned with assistance to East Pakistan refugees in India. Programs for assistance in cases of natural disasters are also examined by our Committee, which has voted in favour of the appointment of a co-ordinator, not for disasters, but for assistance in cases of disaster, in order to avoid delays, disorder and waste resulting specifically from lack of co-ordination of external aid in periods of emergency. The office of the co-ordinator will be located in Geneva.

Following a very lively discussion the Third Committee has adopted another resolution approving the twinning of cities as a way to promote international co-operation. That proposal had been put forward by the representative from France on behalf of his country and of some twenty other countries. The purpose of that proposal is basically to twin towns of developed countries with towns of developing countries under the sponsorship of the World Federation of Twinned Cities which is connected with the UN. But several countries, especially New Zealand and Australia, were against granting that federation a monopoly in that field and making it the only recipient of UN aid. Therefore the initial proposal has been amended considerably. At the end of the meeting which had been both very long and boisterous, the chairwoman—a brilliant Finnish lawyer who is considered as a possible deputy to the Secretary General—fainted and was unconscious for 15 minutes.

Each year, the Social and Economic Council divides among the various greater committees the study of the questions which appear in its report. Last year, we had to examine the following topics: the death penalty; youth and habit-forming drugs; human rights in the administration of justice; the rights of the mentally retarded; the commemoration of the 25th anniversary of the Universal Declaration of Human Rights; and, last, the question of the United Nations Children's Fund, better known as UNICEF. Owing to lack of time, these subjects, were only examined superficially although the first ones were extremely important, and we adopted "full speed" resolutions which had been prepared by some delegations which, having previously been members of the Social and Economic Council, have a more thorough knowledge of these questions.

• (2030)

Unfortunately, the way in which the agenda is prepared at the beginning of the session is completely unrealistic. It is proposed to fit the study of some 17 points, several of which are major ones with a number of subdivisions, into the rigid frame of about 85 meetings. Well, we know from experience that it is very easy for such or such a group to filibuster by making the discussion of a topic drag on in order to delay consideration of the next item with which they do not agree. The result is that by the beginning of December, half the topics still remain to be considered. This is the reason why some matters are put on the agenda year after year without ever being seriously considered, as they are given last priority.

This has been the case with the following matters: freedom of information; elimination of all forms of religious intolerance; human rights in the face of scientific and technological advances; and criminality and social development. As for the matter of elderly people, which had been neglected for several years, it made some progress in 1971 when our Committee asked the Secretary General to have a study conducted on the situation of elderly people in several countries which have reached various stages of development, and to prepare for 1973, jointly with specialized agencies, a report containing guide lines on which national policies may be based.

The position of Canada in the Third Committee is that of a moderate country which, while belonging to the group of wealthy nations, tries and manages to preserve friendly relations with all other delegations, no matter how radical, how anti-imperialist and how anti-capitalist they may be. As far as human rights are concerned, Canada could have a more dynamic attitude. Judging from the letters we receive, enlightened Canadians would like to see their country take a more active part in international co-operation in this sphere. We are aware that because those are problems which involve divisions of jurisdiction between the federal government and the provinces, Canada had to move with caution in this field, especially when it had to sign conventions, because several of them, at least in part, come under provincial jurisdiction—among them, the convention on the elimination of all forms of racial discrimination which was finally signed by Canada in October 1970, and the Covenant on Civil and Political Rights.

According to the Department of External Affairs, the federal-provincial consultation mechanisms are rather weak, which means that the importance of those international conventions is usually ignored and that provincial

agreement has been difficult to obtain. Those mechanisms must therefore be improved, the agreement and support of the provinces obtained more quickly with regard to the signature and ratification by Canada of UN conventions. We agree that the task is very complex with a government system such as ours, or that of Australia or the United States.

[*English*]

In conclusion, I should like to say that the Third Committee is, in a way, the last section of a channel through which the suggestions and draft resolutions related to the Declaration of Human Rights must pass in order to be either rejected, or approved with or without modifications, before attaining the binding stage in plenary session. In my opinion, a rationalization of the procedure in that committee, as in the others, would surely produce better results. The United Nations is working at it. But we must not expect too much, human nature being what it is.

When the high ideals of the Declaration of Human Rights are set against the actual situation in the world, one may be overwhelmed with pessimism, but one must keep in mind that the task is immense and unending. One of the most significant developments is the fact and almost all the constitutions or basic laws of states adopted in recent years contain provisions relating to human rights and fundamental freedoms. For many new countries, the declaration has served as a model. At least, this fact is a promise of better things.

Our own federal legislation is more and more in gear with the Declaration of Human Rights as well as with the idea which is central to the Prime Minister's philosophy, that the basis of political society is the individual human being, possessing "inalienable rights over and above capital, the nation, tradition, the church and even the state." As the Prime Minister said once when visiting Australia, the goals of government should be to realize "maximum human dignity, maximum human welfare, maximum environmental quality and minimum violence in human relationships." These are certainly the long-term goals of the United Nations, particularly the goals of the Third Committee on which I had the honour to serve.

OFFICIAL REPORT

TRANSLATION SERVICES—QUESTION OF PRIVILEGE

Hon. Eugene A. Forsey: Honourable senators, before the Orders of the Day are called I should like to rise on a question of privilege.

[*Translation*]

I refer to a serious mistake in the French text of my speech on the Constitution which I made on March 28. As recorded on pages 270 and 271 of the English text, I stated:

[*English*]

> There is a proposal in the committee's report on the subject of the Bill of Rights, at page 20, to which . . . I object. The proposal is:
>
> > The right of the individual person to the enjoyment of property, and the right not to be deprived thereof except in accordance with the public good and for just compensation.

[Hon. Miss Lapointe.]

> The proposal is that that should be included in the Bill of Rights. I think that is unnecessary.

[*Translation*]

In the French version, we find this:

> Au sujet de la Déclaration des droits, à la page 20, le rapport du comité contient une proposition à laquelle je m'oppose. Voici la proposition:
>
> > Le droit de tout individu à la vie, à la liberté et à la sécurité de sa personne, et le droit de ne pas en être privé, sauf en conformité des principes de justice fondamentale.

Of course, honourable senators, this is not the same thing at all, and I strongly object to this being given as the translation of what I said in English, as follows:

> The right of the individual person to the enjoyment of property, et cetera.

This should read, I suggest, as follows:

> Le droit de l'individu à la jouissance de ses biens et le droit de ne pas en être privé, sauf en conformité du bien public et contre un dédommagement équitable.

I ask the editors of *Hansard* to make the necessary correction.

• (2040)

[*English*]

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, March 29, consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. Paul Yuzyk: Honourable senators, the preparations for the celebration of the centennial of Canadian Confederation in 1967 stimulated a general public interest in the Constitution of Canada. The mounting difficulties which arose between the federal government and provincial governments regarding powers of jurisdiction with respect to the new problems confronting the emerging new society led to several federal-provincial conferences which followed the Confederation of Tomorrow Conference sponsored by the Government of Ontario in November of 1967. When it became apparent that progress in constitutional revision was painfully slow at these top-level meetings, the government decided that if global revision was to be achieved Parliament and the people must necessarily be involved.

Accordingly, in January 1970, a Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada was established to make a comprehensive review of the Constitution. The report of this committee was tabled in both houses on March 16 this year.

It is important to note that in its two years of intensive effort the committee held 145 public meetings, including 72 sessions in 47 cities and towns located in all the provinces and territories. The 1,486 witnesses who appeared before the committee ranged from acknowledged experts,

leaders in various walks of life, representatives of various institutions and organizations to students and common people, such as individual labourers, farmers, housewives, trappers and others. The evidence was published fully in both official languages in the records of Parliament—93 volumes—and is available to all who may wish to study this important material.

This was a large-scale national exercise in participatory democracy. It was the first time in the history of Canada that a parliamentary committee undertook such an ambitious series of hearings to gauge public opinion on such an important matter that would affect the lives of every man, woman and child in this country. Many mayors and citizens expressed their great delight and gratitude to have a parliamentary body visit their area and hear their opinions on vital issues; we heard many requests for parliamentary committees to hold similar meetings on important topics in the future from time to time throughout Canada. This method of ascertaining public opinion falls just short of conducting a referendum.

We should remember that Canadians won their democratic rights, their freedom, independence and sovereignty not through revolution, although rebellions took place in 1837, but through the process of evolution. Let us remember that many countries, such as France, the United States, the Soviet Union and others, created their constitutions dramatically in the wake of revolution with bloodshed. Canada, however, inherited the British tradition, and our Constitution, the British North America Act of 1867, came as a result of long and arduous discussions over a period of three years. At that time, Canadian parliamentarians, the founding fathers, under the leadership of Sir John A. Macdonald, were not under any threat of internal violence or coercion from Britain or the United States. Firm negotiation and reasonable compromise were the methods employed to draw up the Constitution and also to bring about the subsequent amendments, always in times of peace. We are probably one of the few countries of the world which have taken the matter of total constitutional revision beforehand directly to the people.

The final product of the committee is a report which embodies recommendations hammered out as a tolerable and reasonable compromise. It reflects an agreement arrived at by representatives of all the political parties as well as their differences of opinion within the parties. Taking into consideration the consensus of public opinion, when it was clearly evident, as well as their own personal views, the members of the committee, who themselves are fairly representative of Canadian society, have presented proposals that reflect the main streams of opinion of this diverse society. Consequently, it was not a unanimous report. Uppermost in the minds of these parliamentarians, however, were the best interests of Canada as a whole.

It would not be fair if special tribute were not paid to those of the committee who performed the lion's share of the heavy work. I mention in particular Dr. Mark MacGuigan, a former professor of law, who was the co-chairman from the House of Commons side from the very beginning to the end; he wrote a great part of the original draft. Of course, special mention should be made of Senator Gildas Molgat, my colleague from Manitoba, the co-chairman from the Senate who assumed his duties towards the end of the hearings. Both of these gentlemen were excellent chairmen of public meetings and internal meetings of the committee; both displayed fairness, sympathy, understanding and a deep knowledge of the people, their problems, aspirations and needs.

• (2050)

Special mention should also be made of the members of the steering committee, the immediate staff and the clerks, who spent many extra hours and days preparing the draft of the various sections of the report, and their revisions, for presentation to the many sittings of the committee. For their great input and hard work they deserve special thanks. And of course all other members of the committee deserve the deep gratitude of the Canadian people for their contributions and sense of duty, especially for the sacrifices made of much overtime, patience and even health.

It would be impossible for one person to examine adequately in a normal speech this comprehensive report which contains six parts divided into 37 chapters presenting 105 recommendations. I shall therefore confine myself to the field of my special interest for which I was given responsibility as member of the all-party steering committee which consisted of seven persons. Although I was heavily involved in all sections and aspects of the report, my special responsibility was the place and the rights of the non-British, non-French ethno-cultural groups in the new Constitution of Canada.

Honourable senators, at the time when the Joint Parliamentary Committee came into being I took the stand that a new constitution is essential to Canada. In my speech to this chamber on February 17, 1970, I stated:

> Yet it must be remembered that the British North America Act is in fact a colonial statute, passed by the British Parliament in London over a hundred years ago. There is no doubt that it is out of tune with modern times. The situation in our country has drastically changed, for in the hundred years we have evolved from a preponderantly stable agricultural society to a vast industrialized, technological, urbanized and affluent society active in world affairs, and as a result our needs have greatly changed. Even if some of the provisions require little or no change, it is obvious that new provisions are required to meet new needs, and a general overall revision to improve the document is necessary.

Consequently, I am in full agreement with Recommendation 1: "Canada should have a new and distinctively Canadian Constitution, one which would be a new whole even though it would utilize many of the same parts." The arguments for a new constitution are set out in chapter 3. Stating that a new constitution ought to be "both an inspiration and a mirror for its community," the committee defines the purpose of a constitution as being "to distribute the powers of government according to the wishes of a particular national community and to enunciate its fundamental values and common goals." The committee goes on to say that the British North America Act with all its amendments "does not reflect the Canadian reality of today: an independent, democratic, officially

bilingual, multicultural, federal state," which is now the Canadian identity and will be for generations to come. In the hearings across the country there was a strong current in favour of a new constitution that would be distinctively Canadian and functionally contemporary.

For reasons of functionalism and flexibility and to meet the regional differences the committee recommends greater decentralization in areas of culture and social policy and greater centralization in the regulation of the economy. This means the expansion of provincial powers in income support, marriage and divorce, educational television, criminal law, taxing powers and some international arrangements, sharing powers with the federal government with respect to appointments to the Senate and Supreme Court and limitations with respect to federal spending in fields of provincial jurisdiction. On the other hand, federal powers are to be increased with respect to jurisdiction over air and water pollution, international and interprovincial trade and commerce, incomes, securities regulations, financial institutions, unfair competition and foreign ownership.

Considerable federal government administrative decentralization is proposed in order to allow more regionalized government service which would be closer to the people of these regions and therefore more efficient. Such a redistribution of powers, it is believed, would produce a more viable federal system serving the best interests of Canada as a whole and also her people and their particular needs in the various regions.

It is recommended by the committee that "the Canadian Constitution should have a preamble which would proclaim the basic objectives of Canadian federal democracy." This is the only place in the Constitution where it can be stated in broad terms what kind of a country Canada is and what she aspires to be. The Canadian nation is distinguished as "a free people in a free society; a country characterized by rich diversity in linguistic communities, cultural heritages and regional identities; a country where individual fulfilment is the fundamental goal of society; a country where individual Canadians look to the state not simply as a vehicle by which to serve their own self-interest but as a vehicle by which they can contribute to the well-being of other Canadians."

The basic objectives of Canada that should be included in the preamble to the new constitution are the following:

1. To establish a federal system of government within a democratic society;

2. To protect and enhance basic human rights;

3. To develop Canada as a bilingual and multicultural country in which all its citizens, male and female, young and old, native peoples and Métis, and all groups from every ethnic origin feel equally at home;

4. To promote economic, social and cultural equality for all Canadians as individuals and to reduce regional economic disparities;

5. To present Canada as a pluralistic mosaic, a free and open society which challenges the talents of her people;

6. To seek world peace and security, and international social progress.

[Hon. Mr. Yuzyk.]

One of the most controversial recommendations was number 7, which deals with self-determination:

> If the citizens of a part of Canada at some time democratically declared themselves in favour of political arrangements which were contrary to the continuation of our present political structures, the disagreement should be resolved by political negotiation, not by the use of military or other coercive force.

• (2100)

Some Quebecers argued that their province should have the right of self-determination and even secession. The committee referred to article 1 of the United Nations International Covenant on Civil and Political Rights (1966) which states:

> All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

Although the large majority of French Canadians live in Quebec, there are large numbers occupying large areas in New Brunswick, Northern Ontario and elsewhere. It is fundamentally a question of self-determination for a people or self-determination for a province; the two are not equivalent, as people are a natural entity and a province is an artificial one. Since the preamble should recognize that the existence of Canadian society rests on the free consent of its citizens and their collective will to live together, differences and disagreements should be settled by peaceful means. All peoples of Canada will be able to achieve their aspirations more effectively within the proposed more flexible federal system.

The committee endorses the entrenchment of certain basic political, legal and human rights, to be included in a Bill of Rights as part of the Canadian Constitution. Guaranteed should be political freedoms of conscience and religion; of thought, opinion, and expression; of peaceful assembly and of association; the inalienability of the right to citizenship; protection of a citizen's life, liberty, and security of his person; protection against arbitrary seizure of his property, except for the public good and for just compensation; prohibition of discrimination by reason of sex, race, ethnic origin, colour or religion; prohibition of discrimination in employment, or in membership in professional, trade or other occupational associations, or in obtaining public accommodation and services, or in owning, renting or holding property; as well as other provisions contained in the Canadian Bill of Rights of 1960.

The committee considered the arguments against the entrenchment of a Bill of Rights, but came to the conclusion that an entrenched Bill of Rights was a more effective guarantee to individuals. Succinctly stated, it is a question of who would have the final word—a court which has the right to interpret what a legislature enacts, or a legislature which has the right to amend a judicial interpretation. I do not want to discuss all the arguments pro and con; I am satisfied that courts in a democratic society eventually accept what the majority wants, and that competing interests of majority rule and minority rights are in accordance with the essence of democracy. Canada is a country of numerous minorities, all of whom want fair treatment.

Probably one of the most important questions to be settled in a new constitution is that of language rights. Because language is a vital part of the culture of most peoples, its recognition is of great symbolic importance. Consequently, chapter 10 on Language Rights is one of the longest in the report.

After having studied the report of the Royal Commission on Bilingualism and Biculturalism and the Official Languages Act of 1969 as well as the reactions of the public, the committee recommends that English and French be constitutionally entrenched as the two official languages of Canada. Four other recommendations deal with the right of any person to use either official language in the federal and provincial legislatures and the territorial councils, in dealing with judicial or quasi-judicial federal bodies or with courts in New Brunswick, Ontario, Quebec and the Territories, and recognition of the parents' right to choose the language of instruction in publicly supported schools where a sufficient number of persons could justify the provision of necessary facilities. Since French is in an inferior position, federal and provincial governments are urged to upgrade French and to try to achieve linguistic equality throughout Canada.

To the non-French, non-British ethno-cultural groups who are interested in preserving and perpetuating their cultures as part of the Canadian mosaic the key recommendations are numbers 27 and 28. Giving recognition to the multicultural reality of Canada, the committee states:

> The Constitution should explicitly recognize the right of Provincial Legislatures to confer equivalent status with the English and French languages on other languages. Federal financial assistance to support the teaching or use of other languages would be appropriate.

In the text explaining these recommendations the report refers to the population statistics of Canada. It is noted that during the period 1871 to 1961 the British element declined proportionally from 60.55 per cent to 43.85 per cent, the French element remained almost constant, declining only from 31.07 per cent to 30.38 per cent, while the other ethnic groups rapidly increased percentagewise from 8.38 in 1871 to 25.77 in 1961. "It is expected that the 1971 census figures will show a further increase in the percentage of Canadians who are neither British nor French, largely at the expense of the British proportion."

Recognizing in the preamble of the new Constitution that Canada is multicultural rather than bicultural or unicultural, which seems to be an obvious fact, the committee considers nevertheless that this "needs formal emphasis." There neither is nor should there be any official culture in Canada. It is further stated that:

> One of the deepest aspects of our national character has been its cultural tolerance towards minority groups. Canadians do not feel the need to impose a common culture nor to divorce people from their cultural roots. All democracies allow their citizens freedom under law, but many do not go so far as to allow cultural freedom. Canada must continue to do so, but more consciously and more effectively.

Taking into consideration that there are large groups of Canadians who speak German, Ukrainian, and Italian and smaller numbers who speak many other tongues, particularly in the Prairie provinces where some of these languages are spoken more than French, the committee in majority approved constitutional recognition for these languages. These ethnic groups of the third element—non-British, non-French—have "made a great contribution to the development of Canada in the years since Confederation, and it would be fitting to recognize it in the Constitution". One way of recognizing this contribution is to regard their languages not as foreign but give them the status of Canadian languages as an integral part of the Canadian linguistic fact.

Realizing that there are inherent limitations of constitutional provisions respecting languages, the committee has decided that since the languages of the third element ethnic groups are "regional rather than national" in the context of Canada it would therefore be appropriate that specific recognition be given to them at the provincial level. This recommendation would confer no additional rights upon the provinces, for by section 92(1) of the B.N.A. Act, they already possess the power to amend their own constitutions, and by section 93 they have the power to make laws in relation to education. Several of these languages are already taught in the elementary and secondary public schools and at the universities of some of the provinces.

The committee advises that:

• (2110)

> The Constitution should therefore provide in its section on language rights that Provincial Legislatures may confer rights on other language groups with respect to use in the Legislatures themselves, or in government administration, the courts, and education in publicly-supported schools.

The obvious conclusion is that where it would now be impractical to make official other languages besides English and French, there is nothing in the Constitution to prevent them from achieving official status in the provinces, and this is even encouraged. It is made clear that the officiality of English and French "does not confer any priority with respect to culture."

Since the new Constitution would recognize bilingualism and multiculturalism, it is logical that this fact be appropriately reflected also in the policies of the provincial governments, including educational policies. I refer, honourable senators, to chapter 29 on Education. This means that the federal government must have certain obligations in this respect to the provincial governments. The report therefore concludes:

> Moreover, where a Province confers a particular public right upon a language group, it would be appropriate for the Federal Government to provide a measure of financial assistance. By doing so, it would help the Provinces to provide a valuable public service to a group of citizens.

Honourable senators, I am satisfied that the members of the Special Joint Committee on the Constitution of Canada, in dealing with the problems of the non-British, non-French ethno-cultural groups, were as objective, fair, understanding and sympathetic as could be expected of them. The committee carefully studied the briefs and submissions of the organizations that represented these

groups, and in general adopted the recommendations which were consensual and practical, keeping the best interests of Canada in mind.

Personally, this report gives me a great deal of deep satisfaction. It embodies most of what I have been striving and fighting for since I became a member of the Senate in February 1963. Gaining recognition of language and cultural rights for the ethnic groups of the third element in the new Constitution of Canada is the fulfilment of my life dream and my steadfast endeavours which, I am pleased, received the backing of the leaders and the Senate body. This I gratefully acknowledge.

I have delivered several speeches in this chamber on the topic of the Canadian identity, multiculturalism and the rights of the ethno-cultural groups. My maiden speech of March 3, 1964, was published as a separate pamphlet by the Queen's Printer with the title "Canada: A Multicultural Nation." It was subsequently reprinted several times in pamphlet form and used frequently by ethnic groups in the hearings of the Royal Commission on Bilingualism and Biculturalism. On October 1, 1968, I drew the attention of the Senate to the concern of these groups about constitutional changes proposed at the federal-provincial conferences.

Then, with the support of an ad hoc committee of the Senate, consisting of Senators Maurice Lamontagne, David Croll, Norman A. M. MacKenzie, James Gladstone and myself, with funds supplied by the Department of the Secretary of State and the Ontario government, and with the support of the Canadian Folk Arts Council, on December 13, 14 and 15, 1968, I convened the Thinkers' Conference on Cultural Rights, in which leading Canadian leaders and representatives of 20 leading ethnic groups participated together for the first time in Canada. The resolutions rejecting the concept of biculturalism and endorsing official recognition of multiculturalism, the papers and reports were all sent to the Prime Minister of Canada and all the Premiers of the provinces, from most of whom came a favourable response. I gave a report of this important conference to the Senate on July 8, 1969, in the debate on the Official Languages Bill, in which I supported the bill but urged that the non-English, non-French languages be recognized as Canadian languages.

Finally, on February 17, 1970, following the launching of the Joint Parliamentary Committee on the Constitution of Canada, I delivered a lengthy address on constitutional revision in which I supplied statistics, a graph and a chart, and in which I advocated that a bilingual and multicultural Canadian nation was the all-inclusive Canadian identity.

Hon. Mr. Choquette: May I ask a question of the honourable senator? What did he mean when he said, or recommended, that languages other than French and English be recognized as Canadian languages? Recognized where and how?

Hon. Mr. Yuzyk: Recognized generally in the Constitution, in the terms that we have it recognized here. Canada is a bilingual and multicultural nation, and since multiculturalism includes languages, all these languages should be considered as Canadian and not foreign. That is what has taken place now, as recommended by the joint parliamentary committee. The committee has given general recognition. But the most important thing is that these languages be given recognition where they can be used most effectively, which is within the system of education and within the provinces. The joint parliamentary committee recognizes that the provinces have jurisdiction in this field and that they can give recognition to these languages and cultures within the education system as well as within legislatures and courts. That is what I have been referring to.

Hon. Mr. Choquette: Are you dreaming? Are you serious?

Hon. Mr. Yuzyk: I am very serious, Senator Choquette. It is very important that these languages, which are part of the Canadian scene, should be recognized as Canadian languages. I do not say as official languages because reports from both Houses of Parliament would have to be printed in those languages. I merely claim that these languages should be recognized as part of the Canadian scene and should be encouraged to develop within Canada. Eight years ago this concept was scorned; today it has received general acceptance, thanks in a great measure to the attitude of the young generation.

• (2120)

In conclusion, I would like to quote from my maiden speech of March 3, 1964, referring to the recognition of multiculturalism and the implementation of the principle of unity in continuing diversity:

> A great architect of Canada, Prime Minister Sir Wilfrid Laurier, under whose administration the Prairies were peopled by various groups of the third element, left, some 60 years ago, the following message for future generations:
>
> > I have visited in England one of those models of Gothic architecture which the hand of genius, guided by an unerring faith, has moulded into a harmonious whole. This cathedral is made of marble, oak and granite. It is the image of the nation I would like to see Canada become. For here, I want the marble to remain the marble; the granite to remain the granite; the oak to remain the oak; and out of all these elements I would build a nation great among the nations of the world.

Hon. Mr. Martin: Hear, hear!

Hon. Mr. Yuzyk: It is significant that Prime Minister Trudeau used a part of this quotation when the present Government launched its new policy of multiculturalism on October 8, 1971. It is also significant that President Richard Nixon of the United States used this quotation when he recently addressed a joint session of the Senate and House of Commons in Ottawa on April 14 this year. President Nixon identified this as the Canadian way and exhorted us to remember these truths, "that variety can mean vitality—that diversity can be a force for progress."

Regardless of how we identify Canada—whether in terms of geography, governmental institutions, natural resources or human resources, such as ethnic and cultural communities—these are not enough. A state is constituted paramountly by the collective will of the people to live, work and sacrifice together for the common good. If this will falters, then inevitably the nation falls. We know from history and experience that the common strain binding

Canadians together is a pervading goodwill towards persons and people other than their own, and their love of this great land. In their extensive travels throughout our vast country, the members of the Constitution Committee witnessed the vibrant spirit of Canadians of all backgrounds, and therefore look with confidence to a better future for Canada.

In the words of the report, "a modern Constitution for Canada is ultimately a restatement of our faith in ourselves and our country." Our faith in freedom and democracy, truth and justice, equality and brotherhood, co-operation and peace as an antidote to tyranny, hate, bigotry, prejudice, discrimination and war has been the strength that has brought about and maintained Canadian unity, which has produced progress, prosperity and general happiness for Canadian citizens. This faith and work has built a great and dynamic Canadian nation. With continuing mutual understanding, goodwill, faith, and adherence to these high principles we will build a new and better Canada. To facilitate the fulfilment of our worthy aspirations, a new modern constitution is vitally and urgently needed, for which this report is an indispensable basis.

On motion of Hon. Mr. Choquette, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 298*)

ADDRESS

OF

MR. RICHARD M. NIXON

PRESIDENT OF THE UNITED STATES OF AMERICA

TO

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS

IN THE

HOUSE OF COMMONS CHAMBER, OTTAWA

ON

FRIDAY, 14TH APRIL, 1972, AT 3:10 P.M.

Mr. Nixon was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. President of the United States, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, members of the Parliament of Canada:

On behalf of the people of Canada, and of their parliamentary representatives gathered in this chamber, I extend to you, Mr. President, and to Mrs. Nixon, a warm welcome to Ottawa.

You, sir, are the fifth holder of your office to honour a joint session of the Parliament of Canada. Because your colleague President Eisenhower visited this place twice, your address will be the sixth such to be heard here.

[*Translation*]

You see before you, Mr. President, Canadians from every corner of this far-flung land we call Canada. They reflect not just the geography of the country but as well the great mixture of peoples which adds such richness and variety to our national life. The different origins of many of these men and women, and the languages they speak, illustrate the diversity of Canada. Their presence in the Chamber symbolizes our unity of purpose and our devotion to our parliamentary heritage. Part of that tradition was carried from France to England by the Norman conqueror nine centuries ago. It blossomed there and found its way naturally to Canada where it serves us admirably, and distinguishes us from the many countries elsewhere in the hemisphere.

[*English*]

Your presence here today, Mr. President, is striking evidence of the flexible yet harmonious relationship which has evolved over the years between the United States and Canada. Our two countries and our two peoples have much in common, but they are not identical in their moods nor in their interests, and it is a disservice to a proper understanding of one another if we overlook these distinctions. Our friendship is more dynamic because of our differences, and our relationship deeper and wider. Those differences stem from a past which, parallel to yours, is distinctive; and from governmental institutions which preserve like values but by different means.

In our meetings this morning we spoke a common language, employing familiar idioms, recalling an entwined history, and discussing problems identifiable to each in terms of values we share and respect. What other two countries in the world can offer to their peoples and leaders such a contribution to understanding?

What is the effect on Canada and Canadians of the existence next door to us of the great country of America? Certainly, it is one of stimulation. There is little that the United States does that is not felt or noticed in Canada. Your lofty goals, your good natured hospitality, your successes and your failures, your accomplishments and your shortcomings, your throbbing vitality, are all deeply imprinted in the collective conscience of Canadians. Understandably, there is little that Canadians do which they do not compare with similar activity in the United States.

Our relationship with you is too complex to be described, too involved to be understood fully, too deeply entrenched to be disregarded. We are no more capable of living in isolation from you than we are desirous of doing so. For those reasons, the basic friendship of Canada in the past several decades has been taken for granted by the United States, as we have accepted yours. I assure

you that that friendship will continue for it is a permanent feature of our relationship with you. It will adjust to circumstances and be made more articulate in the process, but it is not regarded by us as negotiable.

It is that friendship that has contributed immeasurably to the high degree of economic well-being, physical security and general happiness enjoyed by the peoples of both countries.

It is an expression of that friendship that we welcome you, Sir, to this special session of the Parliament of Canada.

[*Translation*]

Mr. Richard M. Nixon (President of the United States): Mr. Speaker of the House of Commons, Mr. Speaker of the Senate, Mr. Prime Minister, hon. members of the Parliament of Canada, distinguished hosts and friends, I deeply appreciate your kind invitation as well as your cordial welcome.

[*English*]

To all of you who have welcomed Mrs. Nixon and me so warmly on this occasion, I trust you will make allowance for my attempt to speak in the language I studied 37 years ago. When I tried it today, before I came, on our top linguist in the American government, General Walters, he said, "Go ahead, you speak French with a Canadian accent".

I will have to admit that I am not very much at home in the French language but, as a former parliamentarian in my own country, I feel very much at home in this Chamber. I am grateful for the high privilege which your invitation represents. I am grateful, too, for this chance to return to Canada, and for the opportunity of signing here an historic agreement to restore and protect forever the quality of our Great Lakes which we share together. That agreement testifies to the continuing vitality of our unique relationship which has been described so eloquently by the Prime Minister. In discussing that relationship today, I wish to do so in a way that has not always been customary when leaders of our two countries have met. Through the years our speeches on such occasions have often centered on the decades of unbroken friendship we have enjoyed and our four thousand miles of unfortified frontier. In focusing on our peaceful borders and our peaceful history, they have tended to gloss over the fact that there are real problems between us. They have tended to create the false impression that our countries are essentially alike. It is time for Canadians and Americans to move beyond the sentimental rhetoric of the past. It is time for us to recognize that we have very separate identities; that we have significant differences; and that nobody's interests are furthered when these realities are obscured.

Our peaceful borders and our peaceful history are important symbols, to be sure. What they symbolize, however, is the spirit of respect and restraint which allows us to co-operate despite our differences in ways which help us both. American policy toward Canada is rooted in that spirit. Our policy toward Canada reflects the new approach we are taking in all of our foreign relations, an approach which has been called the Nixon Doctrine. That doctrine rests on the premise that mature partners must have autonomous independent policies; each nation must define the nature of its own interests; each nation must decide the requirements of its own security; each nation must determine the path of its own progress. What we seek is a policy which enables us to share international responsibilities in a spirit of international partnership. We believe that the spirit of partnership is strongest when partners are self-reliant. For among nations, as within nations, the soundest unity is that which respects diversity, and the strongest cohesion is that which rejects coercion.

Over the years the people of Canada have come to understand these concepts particularly well. Within your own borders, you have been working to bring a wide variety of peoples and provinces and points of view into a great national union, a union which honors the integrity of its constituent elements. It was Prime Minister Laurier who said of Canada's differing components: "I want the marble to remain the marble; I want the granite to remain the granite; I want the oak to remain the oak". This has been the Canadian way. As a result, Canadians have helped to teach the world, as Governor General Massey once said, that the "toleration of differences is the measure of civilization".

Today, more than ever before, we need to apply that understanding to the whole range of world affairs. To begin with, we must apply it in our dealings with one another. We must realize that we are friends, not because there have been no problems between us, but because we have trusted one another enough to be candid about our problems and because our candour has nourished our co-operation.

Last December your Prime Minister (Mr. Trudeau) and I met in Washington and he asked me if I thought the United States would always want a surplus trade balance with Canada so that we could always export capital here. My answer then, and my answer now is no. As I said to him at that time, we in the United States saw this same problem from the other side before World War I. We then depended on European capital for our development and we wanted to free ourselves from that dependence. So, we fully understand that Canada is in that same position today.

Canada is the largest trading partner of the United States.

It is very important that that be noted in Japan, too.

Our economies have become highly interdependent. But the fact that our mutual interdependence and our mutual desire for independence need not be inconsistent traits. No self-respecting nation can or should accept the proposition that it should always be economically dependent upon any other nation. Let us recognize once

and for all that the only basis for a sound and healthy relationship between our two proud peoples is to find a pattern of economic interaction which is beneficial to both our countries and which respects Canada's right to chart its own economic course. We must also build a new spirit of partnership within the western hemisphere that we share together. It has been said that Canada is bounded "on the north by gold, on the west by the East, on the east by history, and on the south by friends".

We hope that will always be the case. We hope it will be the case not only with respect to the United States, your immediate neighbour on the south, but with respect to all your southern neighbours and ours, who are bound by the great forces of geography and history which are distinctive to the New World. But geography and history alone do not make a community. A true community must be a living entity in which the individuality of each member is a source of pride to all members, in which the unity of all is a source of strength to each. And the great community of the Americas cannot be complete without the participation of Canada. That is why we have been encouraged by the recent decisions of Canada to upgrade its participation as an observer in the Organization of American States to ambassadorial status and to apply for membership in the Inter-American Development Bank. For both of these institutions made the abstract concept of community within the Americas a living reality.

A sound concept of community is also important in another international area that we share, the Atlantic Alliance. Just one month after my inauguration as President of the United States, I observed that a new spirit of co-operation within that alliance was essential as we began a new search for co-operation between East and West. The recent agreements concerning Berlin, and the fact, for example, that thousands of families were reunited this Easter for the first time in many years, are among the first fruits of a new era of East-West negotiation.

But, as we seek better relations with our adversaries, it becomes all the more important to strengthen the alliances with our friends. We must never forget that the strength and the unity of the West has been an indispensable element in helping to bring about the new era of negotiation with the East. That is why we began our round of summit talks last December by meeting with the Prime Minister of Canada and then with the leaders of other close allies. This is why our East-West conversations will always be accompanied by full and genuine consultations within the Atlantic Alliance.

This alliance began as a way of pooling military resources. Today it is a way of pooling our intellectual and our diplomatic resources as well. Like our federal approaches to nationhood, like our Canadian-American brotherhood, like our inter-American neighbourhood, the Atlantic Alliance has achieved a creative unity in which the individuality of its members is respected and advanced.

Let us now turn to the world as a whole, for this is where the challenge of building a true community will be most difficult and most important. We in Canada and the United States, have always been proud to live in what is called the New World. Today there is a new world coming for everybody who lives on this globe. It is our responsibility to make this new world a better world than the world we have known. Canadians and Americans have fought and died together in two world wars in this century. We live now in what has been called a post-war era. But mankind has known a long succession of post-war eras. And each one of them has turned out to be a pre-war era as well. The challenge we face today is to build a permanent post-war era, an era of lasting peace.

My visit to Ottawa comes midway between my visits to Peking and Moscow. In many respects these journeys are very different. In the People's Republic of China, we opened a new dialogue after 22 years of virtually no communication. In the Soviet Union, there is an opportunity to bring a continuing dialogue to productive conclusions. But in their central aim these journeys to Peking and Moscow are alike. Neither visit is directed against anyone, adversary or ally. Both are for the betterment of everyone, for the peace of all mankind. However, we must not allow the fact of summit meetings to create any unrealistic euphoria.

The responsibility for building peace rests with special weight upon the great powers. Whether the great powers fulfil that responsibility depends not on the atmospherics of their diplomacy but on the realities of their behavior. Great powers must not treat a period of detente as an interlude between periods of tension. Better relations among all nations require restraint by great nations, both in dealing with each other and in dealing with the rest of the world. We can agree to limit arms. We can declare our peaceful purposes. But neither the limitation of arms nor the declaration of peaceful purposes will bring peace if, directly or indirectly, the aggressive use of existing weapons is encouraged. The great powers have a responsibility for the aggressive actions of those to whom they give the means of embarking on such action. The great powers must use their influence to halt aggression, not to encourage it. The structure of world peace cannot be built unless the great powers join together to build it. Its strength will grow only as all nations, of all political and social systems, come to accept its validity and sustain its vitality. This does not mean the great powers must always agree.

We expect to continue to have profound philosophical and diplomatic differences with the Soviet Union and with the People's Republic of China in a number of areas. But, through opening new lines of communication, we hope to increase the chance that in the future we shall talk about our differences and not fight about them. As we have prepared for both these journeys the experience of Canada has been most helpful. I am grateful to both the Prime Minister and to the Opposition Leader, Mr. Stanfield, for sharing their insights with us as we embarked on these endeavours. As we continue together our common quest for a better world order, let us apply the lessons we have learned so well on this continent: that we can walk our own road in our own way without

moving farther apart; that we can grow closer together without growing more alike; that peaceful competition can produce winners without producing losers; that success for some need not mean setbacks for the rest; that a rising tide will lift all of our boats; that to go forward at all is to go forward together; that the enemy of peace is not independence but isolation; that the way to peace is an open world.

And let us remember too, these truths that we have found together, that variety can mean vitality; that diversity can be a force for progress; and that our ultimate destiny is indivisible.

When I spoke at the St. Lawrence seaway ceremonies in 1969, I borrowed some words from the monument there which I had joined Queen Elizabeth in dedicating just ten years before. That monument, as its inscription puts it:

> bears witness to the common purpose of two nations whose frontiers are the frontiers of friendship, whose ways are the ways of freedom, whose works are the works of peace.

The truth to which the inscription testifies is of profound importance to people everywhere in this world.

For the ability of our two nations, Canada and the United States, to preserve the frontiers of friendship, to walk in the ways of freedom, and to pursue the works of peace provides example and encouragement to all who seek these same objectives, wherever they may live.

There is nothing more exciting than a time of new beginnings. A member of this body caught that spirit when he spoke in Parliament about the beginnings of Canadian nationhood 100 years ago. Listen to him:

> Blood pulsed in our veins, new hopes fired our hearts, new horizons lifted and widened, new visions came to us in the night watches.

May that same sense of excitement inspire our two nations as we help lead the world to new beginnings today.

THE SENATE

Wednesday, April 26, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a communiqué issued by the Department of External Affairs on April 4, 1972, respecting the Canadian delegation to the Third United Nations Conference on Trade and Development (UNCTAD).

UNITED NATIONS

THIRD CONFERENCE ON TRADE AND DEVELOPMENT, SANTIAGO, CHILE

Hon. Paul Martin rose, pursuant to notice:

That he will call the attention of the Senate to the Third United Nations Conference on Trade and Development, which opened in Santiago, Chile, Thursday, 13th April, 1972, and in particular to the participation therein of the delegation from Canada.

He said: Honourable senators, as you are aware, I have just returned from having attended the first two weeks of the Third United Nations Conference on Trade and Development which is being held in Santiago, Chile, the first United Nations Trade and Development Conference to take place in Latin America.

The first of these conferences, which I attended as Secretary of State for External Affairs, was held in Geneva in 1964. The second conference was in Delhi in 1968 when my then colleague, the Minister of Trade and Commerce, the late Honourable Robert Winters, was head of the Canadian Delegation.

Regarding the conference in Santiago, I would like to say that the President of that country, President Allende, and the President of Mexico, addressed the delegates. So did a number of figures well known to me and undoubtedly to other honourable senators, such as the Secretary General of the United Nations, Kurt Waldheim; the Secretary General of UNCTAD, which is an acronym for United Nations Conference on Trade and Development, Secretary General Perez-Guerrero, a distinguished statesman from Venezuela; and the World Bank President, Robert McNamara; as well as the President of the forthcoming United Nations Conference on the Environment to be held in Stockholm, Mr. Maurice Strong of Canada.

This is, of course, a conference of governments. It is the largest conference of sovereign governments ever held in the history of the world and it is being conducted at the ministerial level. For instance, Germany has sent Dr. Karl Schiller who heads the two ministries of Economy and of Finance; France sent Giscard d'Estaing, its Minister of Economy and Finance; from Britain came Michael Noble, the Trade Minister; the European Communities were represented by their President, Sicco Mansholt; the Minister of Industry and Commerce of Trinidad and Tobago, Mr. Padmore came, as did Trade Minister Mishra from India, and the Deputy Prime Minister and Minister of Trade and Industry of Australia, J. D. Anthony. The conference will continue for another month, but a number of the ministers have already returned to their home countries to speak on the conference. For example, I find that there was a debate last Wednesday in the British House of Lords on this subject.

It is too early to forecast the outcome of this conference, the importance of which I hope to establish before I have taken my seat. I can at least say that the main issues are now before the delegates. These issues are vital to the future peace of the world, and in the effort which has been made by most countries to improve the standard of living of people in underdeveloped nations of the world. There is the question of how the international monetary system should be reformed, and in what form. There is the subject of improved access to major world commodity markets. There is the matter of the debt burden borne by some developing countries, and the terms and conditions on which aid is being supplied. And there is the dilemma of how to aid the least developed—that is the poorest—of the developing countries.

• (1410)

There is no doubt that the way the trade and monetary crisis of last autumn began and eventually evolved did not sit well with governments of the developing countries. Countries which are in chronic balance of payments difficulties do not have much sympathy when a great nation, which has been running a consistent trading surplus, finds itself experiencing a few difficult years. Some did not like the surcharge temporarily imposed on their exports; some were disturbed by the effective revaluation of their currencies in relation to the dollar; some were concerned at the diminution in the value of the dollars they were holding as reserve currency; all the developing countries were annoyed that the Smithsonian Agreement was concluded last December in Washington by a small group of the wealthiest countries, without apparent concern for the effects of their decisions on other members of the international community.

We in Canada have some understanding of the perspective of developing countries on this issue, and believe that developing countries have a valid claim to a larger voice in determining future arrangements, which Canada believes should be conducted within the framework of the International Monetary Fund. And I was instructed by the government to say so and did. We support the full participation of all members of the IMF organization, which includes many developing countries, and the evolution of a monetary system suited to the present.

The process of monetary reform which is now under way in the International Monetary Fund will involve one of the major adjustments in the economic area.

I think I can say that Canada was as concerned as any country at the disturbance of the international trade scene in the latter part of 1971. As a result, we regard the

discussions taking place now within the IMF as having their counterpart in, or even being eclipsed by, the forthcoming round of multilateral trade negotiations in the General Agreement on Tariffs and Trade. We regard GATT—and I said so—as the appropriate negotiating forum for trade questions, and we trust that the 1973 timetable can be, and will be, maintained. We would welcome the support of developing countries for a major round of trade negotiations next year. The lowering of trade barriers should increase export opportunities of developing countries and enable them to expand their export earnings. Canada supports their fullest participation, neither requiring full reciprocity from developing countries in lowering trade barriers, nor expecting concessions from them inconsistent with their developing needs. We do suggest, however, that the liberalization of trade regimes in some developing countries would in many cases benefit those countries themselves.

In the field of trade, I must mention one of the most important initiatives undertaken by this organization, namely, the Generalized Preference System, known in abbreviation as the GPS. There were 77 nations comprising the less-developed countries at the first meeting in Geneva in 1964, and Raul Prebisch, the inspired founder of UNCTAD, sought a tariff preference for the 77 in the markets of the rich as a general rule, and with no *quid pro quo*.

This was not initially supported by the developed countries, though the day was saved at the 1964 conference by the then Trade Minister of the United Kingdom, Edward Heath, who countered with the compromise of a Generalized Preference System. This Generalized Preference System for the underdeveloped nations was endorsed at the second conference held in Delhi, and has since been widely implemented.

Canada announced its commitment to the Generalized Preference Scheme, and reiterated it in Santiago nine days ago. The government has yet to introduce legislation, however, to have it implemented, but we intend to do so at the earliest feasible date.

Members of the Senate are well aware that we had our trading problems during the latter part of 1971. I did not tell the conference in Santiago of our legislative commitment to reform our income tax legislation last year, but senators are equally aware of the time consumed in parliamentary passage of that measure. However, on behalf of the government, I assured the plenary session that Canada would implement the Generalized Preference Scheme at the earliest feasible date.

There have been some international commodity agreements as a result of the initiative taken by this organization of over 130 nations which has been meeting to try to improve trade opportunities of most of the nations of the world who come within the category of underdeveloped countries. Agreements currently exist on tin and sugar, for example, and there has been considerable discussion in Chile, and before, on commodity agreements for cocoa and tea. Although there was some suggestion in the corridors at the conference that there had been stalling on the part of important importing countries, I am happy to say that the criticism was not directed at Canada. We are sympathetic to an early warning system for commodities. We would support a plan for periodic consultations among commodity producers and consumers to review the situation of individual commodities and, if possible, to anticipate any problems which might arise with respect to trading them, so that measures could be taken to avoid these difficulties.

Developing countries rely on commodity exports for 80 per cent of their export earnings, so it is important for them as it is for us. Consultations on a regular basis with different bodies with respect to a number of important commodities are now under way, and the proposal that we meet for consultation before a crisis situation arises would be an extension of a practice that already exists.

• (1420)

There was inevitably much discussion at Santiago of the quality of development assistance. Canada supports a general softening of the terms on which donor countries provide development assistance. We hope that donor countries like our own in the OECD will be able to agree to a revised and improved terms target. Canada has accepted the international targets for total cash flows and for official development assistance, though we have been unable to accept firm deadlines for the realization of these targets. Since UNCTAD II appropriations for development assistance in Canada have increased at an average rate of 15 per cent, while our Gross National Product has only increased at about half that rate. This is a measure of the level of assistance that we are now giving to underdeveloped countries who come within the embrace of our programs. So, I think, we have made significant advances and are catching up rapidly, steadily approaching the international goals accepted, for example, by the OECD, an organization that I feel has very effectively supplemented this developement task since its establishment.

A number of proposals are in the process now of being examined and discussed with a view to increasing the transfer of resources to developing countries. Some of these involve an expanded use of the special drawing rights. It will be recalled that about two and one half years ago in the Senate as well as in the other place we brought in legislation to implement an agreement for the establishment in the International Monetary Fund of special drawing rights. These special drawing rights were intended to meet the then very serious problem of liquidity which faced the nations of the world. This is one of the important items that is now being discussed in Santiago. The developing countries would like to see these special drawing rights used not merely to provide a solution to general liquidity problem, but for their immediate needs as well. Canada has not committed itself to this particular method of increasing resources, but we are committed to the need to increase the transfer of resources which, I believe, is the more important emphasis to make. It is in this connection that I proposed, in the name of the government, that the conference accept an objective of $2 billion for concessional financing through the multilateral agencies. The present level of funding to the IDA, the United Nations Development Program, and to the Regional Development Banks is $1.5 billion, so the proposal that was made by the Government of Canada represents a one-third increase.

I saw in yesterday's *Globe and Mail* that John Hannah, the Administrator of the United States Agency for International Development, spoke on Thursday in Washington to an international development conference on behalf of President Nixon. He indicated American willingness to join other nations in making up to $2 billion available to developing nations to help finance their economic growth. The timing and the procedures appear to be open for negotiation.

I do not have before me the full text of Mr. Hannah's remarks, but it does seem to represent an attempt to meet the developing nations' claims for additional multilateral financing, and the $2 billion figure is the same one Canada proposed as an objective for concessional financing through the multilateral agencies.

It will be recalled that the Canadian Secretary of State for External Affairs, Mr. Sharp, said not too long ago, as indeed was emphasized in the Foreign Policy Review, that it was the intention of the government more and more to allocate its assistance funds through multilateral organizations.

I told the conference that we would hope that the funding of these agencies might reach this $2 billion figure as and when new levels of subscription are agreed upon. I did not mention a target, but the largest of the multilateral aid agencies is the IDA, and in due course there will have to be negotiations looking towards the fourth replenishment of the fund of this body. I indicated to the conference that if this proposal is accepted, Canada would be prepared to shoulder a proportionate share of the burden. I was told privately that this was regarded as a very positive initiative, and we have strong hopes that the proposal will be endorsed by the conference in Santiago.

An extension of this issue of assistance to the development countries is that of helping the poorest or less developed of the developing countries. The President of the International Bank, Mr. McNamara, in, I thought, a very lucid statement, pointed out the plight of the poorest countries—those with a per capita GNP of less than $200 a year, but which contain 67 per cent of the world's population—which during the first development decade of the 1960s grew at only 1.5 per cent annually. Mr. McNamara told us that the 6 per cent gross goal established for the second development decade could not be met without substantial flows of official development assistance, and current and projected flows of the official development assistance were wholly inadequate. These are his words:

> Unless ODA expands, the poorest countries will simply be unable to reach their objectives, and many of the others will face increasingly serious problems of debt.

There are a group of 25 countries earmarked as the least developed of the developing countries. For many of them, an improvement in trade does not help them very much because they have so little international trade. We hope that our initiative for financing the multilateral agencies will be of particular use to these poorest countries. I may say that the vast majority of our own official development assistance loans are interest-free, have a ten-year grace period, and a maturity of fifty years.

I also told the conference that Canada would recommend acceptance of a new development assistance committee of the OECD terms target requiring a 25 per cent grant element threshold for official development assistance, and a grant element of 86 per cent on the overall official development assistance program. I am hopeful that something can be done at this third conference for those less-developed countries. There will continue to be discussions at the conference, not only between developed countries as to the level of assistance but between groups of developing countries in regard to the priority that should be given to helping these less-developed nations.

• (1430)

Honourable senators, I should provide a caution that the success or failure of this conference will not be determined at its conclusion. The success of the first conference in 1964 was certainly not apparent at that time. It became more apparent by the second conference in Delhi in 1968; and I think many of us at Santiago were more aware of the achievements of UNCTAD II than were some of the delegates who took part in the Delhi conference in 1968. I would therefore suggest that we may have to defer our final evaluation of the results of this conference perhaps even until the next conference takes place some four years from now.

I may say that I regard this organization of UNCTAD as one of the most important of the various international organizations set up under the auspices of the United Nations. Since the end of the war, countries like Canada have been giving grants in aid to help raise the standard of living of the nations that represent the majority of the people in the world. The richer nations of this period have become richer and, notwithstanding the great volumes of assistance that have been accorded, the poorer nations are becoming poorer. This is the stark fact in characterizing the nature of the gap that exists between the developed and the underdeveloped nations of the world.

We have our problems at home, of course. We have our poor, we have our undeveloped areas. So have other nations. However, I can say with much conviction that, unless the kind of effort that is now under way in Santiago succeeds, the prospects for the world are indeed very bleak. It is not possible to narrow this gap simply by increases in the amounts of moneys that nations allocate to other countries for development purposes. The more effective way will be to increase the trading capacity and the trading opportunities of these developing nations.

At the first conference in Geneva we took the position that the way to do that was through the discussions that were then under way at the GATT. We continued to rely on the GATT as the foremost instrument to develop the trade of the world. But we have to recognize that this can best be done, as far as the less-developed nations are concerned, less on a basis of equal treatment than on the recognition of their special economic needs. This is very closely related not only to improving their standard of life but to the efforts that are being made in many agencies, by all governments, in trying to establish stable conditions that will lead to peace in the world. Unless this problem is solved there will be no peace. Thus there is no problem more important than the problem faced by the sovereign nations of the world in Chile at this time.

The Chilean government had taken great care in providing for the delegates a very satisfactory new conference

hall which had been erected within a very short time. In fact, that conference hall is bigger than the General Assembly room of the United Nations. It is necessarily bigger in order to accommodate the larger number of sovereign nations that are in attendance.

A number of the smaller countries in the world joined UNCTAD for the first time. This was also the first major United Nations conference to which representatives of the People's Republic of China were present under the leadership of a minister, Mr. Chou Han-Min, who had the opportunity a few months ago of having trade discussions with my colleague, Mr. Pepin.

This organization is the largest of the United Nations' agencies. It has a positive negotiating role in the creation and elaboration of commodity agreements. It has taken its place as one of the great deliberative bodies of the world.

I should like to think that it was a mark of Canada's continuing interest that it sent, as did most other countries, a member of the government to head the delegation. I should also like to think that, in being asked to attend this conference on behalf of the government, I was in some way able not only to honour my country but also the Senate itself.

There have been two great figures in the establishment of this organization: first of all, the man who conceived it, one of the great economists of Latin America, Raul Prebisch. Undoubtedly he is one of the really great men of our time. His place has been taken by Dr. Perez-Guerrero, a distinguished former member of the government of Venezuela. These two have provided the concept and the functioning machinery. Prebisch's concept is an idea that is now going to be pushed relentlessly by the developing countries in their efforts to share more voluminously in the trade opportunities of the world, because they recognize that only by doing so will they be able to improve their standards of life. It is the responsibility of countries like Canada, the United States, Great Britain, the Scandinavian countries, Japan, Germany, Italy, Belgium and Luxembourg—in fact, most of the countries in the industrial western world—it is their responsibility, taking advantage of their better economic fortune, to assist in bringing about trade opportunities as well as to supplement grants-in-aid programs designed to meet the objective of providing the peoples in most countries with the necessary opportunities to improve their standards of living.

• (1440)

This is a big task and the problems are not going to be resolved by one conference. In fact, it is not likely that they will be resolved in four or five years. Nevertheless one thing is clear, and that is that this course has been taken and there is no longer any doubt about the durability of this kind of organism. It is here to stay. Only when it reaches its objectives, or at least approaches the realization of its objectives, will satisfaction be felt by those who do not enjoy our standard of living that an effort has really been made by more fortunate countries to solve their particular problems. This is an immense task. I believe that at this conference the attitude taken by Canada, through its government and through its delegates, is one that meets the wishes of the Canadian people. I think it will rank among the more positive contributions of the nations who are in our own category, that is nations who are in the position to do something to help the developing countries of the world.

I hope that this interim report will give the satisfaction which I know many people in this country are seeking from the government. From the correspondence that has come to the government since the conference began, it is apparent that not only trade and economic bodies but also educational bodies and churches all over the country regard this conference as vital. The government was already fully convinced of the vital importance of international development, and is convinced it is an issue to which we must continue to address ourselves.

Hon. Mr. Connolly: May I ask the leader a question? In connection with the fund he spoke about for financing through multilateral international agencies for the trade and development requirements of the Third World, I understood him to say there was a Canadian proposal that that fund should be increased from $150 billion to $200 billion, is that correct?

Hon. Mr. Martin: From $1.5 billion to $2 billion.

Hon. Mr. Connolly: Thank you. I take it that these are loan facilities on easy terms that will be made available to applicant countries which qualify. But I wonder whether that fund is now at the point of depletion and it is intended by the developed countries to contribute to it, and whether it is intended to be treated as a revolving fund used for loans or ultimately to be converted into a fund to provide grants or gifts to those countries.

Hon. Mr. Martin: Canada is at the present time contributing about $51.4 million to various multilateral organizations, principally to the IDA and the UNDP. It is in the form of concessional financing. I would think that if the $2 billion figure were reached, this would possibly mean an additional expenditure by Canada of a figure somewhere between $20 million and $40 million.

Hon. Mr. Connolly: Is the fund depleted?

Hon. Mr. Martin: No, it is not at the moment.

Hon. Mr. Connolly: Is it being reviewed as loans are being repaid?

Hon. Mr. Martin: The fund has not been depleted, but not all the replenishments that have been promised have yet been received. So, effectively the supply of funds is less than it should be. Mr. McNamara pointed out that the problems facing these nations are very serious and the assistance must come whether it comes through grants in aid, bilateral arrangements or multilateral organizations. The situation is serious and something must be done about it, apart altogether from the kind of policies developed to promote greater trade and greater access by underdeveloped countries to the markets of the developed countries.

Hon. Mr. Connolly: But these loans are not always made to the developing countries themselves. They are made very often to suppliers of material and equipment, and so on, resident in the developing countries and who make their sales to the underdeveloped countries.

Hon. Mr. Martin: In some instances that is true. Many times loans are made directly by one government to the

receiving country. However, in this context I am speaking about grants, not loans. In the case of the fund I am talking about, this involves assistance by the donor countries to multinational organizations such as IDA and the United Nations Development Fund. These multilateral agencies make their allocations and disbursements within the limits of the total resources that have been made available to them by contributions from individual countries.

The Hon. the Speaker: If no other honourable senator indicates that he wishes to take part in the debate on this inquiry, I will have to declare the inquiry as having been debated. This inquiry has now been debated.

LEGISLATION

INTRODUCTION OF GOVERNMENT BILLS IN THE SENATE—QUESTION

Hon. Jacques Flynn: Honourable senators, may I ask of the Government Leader if he can explain in a short and direct answer why only one government bill has been introduced in the Senate so far this session?

Hon. Mr. Martin: The Leader of the Opposition told me during the lunch period that he was going to ask this question. I gave him a reply at that time but apparently he did not think it was satisfactory. I shall now repeat it: it is because most of the legislation to be presented involves expenditure of money and for that reason it is being initiated by a minister of the Crown in the other place, and not for any other reason that my honourable friend may have in the back of his mind but which he has not clearly stated.

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from yesterday consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. Lionel Choquette: Honourable senators, I rise to say a few words in our consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada. I do not believe my remarks will prove to be earth-shattering, or that they will much affect the course of Canadian history, but there are a few things that I consider should be said, even though I may, as a result, be mistaken for some kind of devil's advocate.

If I were a high school teacher examining this report as a term paper, I would give the committee a "B" for bravery, an "E" for effort, a "V" for variety, and quite good marks for scholarship.

I cannot recall in recent times a committee with such a constantly changing membership. This committee was set up as a joint committee of 20 members of the House of Commons and 10 members of the Senate. However, the members of the houses who served on it from time to time were much greater in number, and even the joint-chairmanship changed after June 29, 1971 with Senator Molgat replacing Senator Lamontagne as co-chairman on behalf of the Senate. About the only constant factor was Mark MacGuigan, M.P. This constant flow of new blood may have been either invigorating or debilitating but, at any rate, that is why I give the report a "V" for variety.

• (1450)

The report was evidently not unanimous. There have been leaked or otherwise disclosed a variety of "minority reports," and even Senator Forsey's remarks, though partially concealed behind a veil of compliments—

Hon. Mr. Flynn: That is usual.

Hon. Mr. Choquette: —constituted in themselves a minority report of considerable importance in that they attacked, chapter and verse, some of the basic assumptions and conclusions of the majority report.

The point I am making is that the committee was given an impossible task—let's face it—of producing a consensus that does not exist, or of establishing or recognizing a demand by the Canadian people for drastic changes in the Canadian Constitution—a demand that, to my mind, is equally non-existent. In terms of political realism—realpolitik—there is no evidence that there is any such consensus or demand. Most of the provinces have had general elections since the committee was established. In none of those elections, so far as I am aware, was the Constitution ever a factor, except that the Quebec election might be regarded, at least in part, as having been a vote for the federal option. There is public apathy in Canada towards constitutional reform as such, although there is evident a genuine and general desire that Canada continue as a federation with Quebec constituting an integral part thereof. The latent fear of Quebec's potential separation from the union is the only unifying factor of any real importance.

As stated in an editorial in the Montreal *Gazette* on March 29, 1972:

> It has not helped to impress the public with the seriousness of the subject by stating that the need for a new constitution is urgent. After all, the public can see how the federal and provincial governments are acting, and they are not acting as if the need is urgent. The Victoria conference failed, without bringing the country to the verge of collapse.
>
> The emphasis on urgency has begun to sound a little foolish because it is plain that very few Canadian politicians have any reforms that they want to make in the basic law of the country. This is even true in Quebec to some extent, as the differences of opinion among Quebec members of the constitutional committee showed.
>
> If there is going to be a new constitution or a radically revised constitution, it is clear now that it will come only after piecemeal and painstaking negotiation. So let us all stop talking about urgency.

The basic fact to remember, in my opinion, is that at least in democratic countries, constitutions are not arbitrarily imposed; rather do they grow, like Topsy. The Canadian Constitution in particular has been far from static since Confederation. It has proven to be much more flexible than was dreamed of in 1867. Canada has since

then become to all intents and purposes a sovereign state, the master of its own destiny. It has been proven capable of empirical response to the pressing needs of the people, once these are fully formulated and agreed upon. Accordingly, much of the demand for federal aid to the provinces has been met by the distribution of largesse in the form of shared cost programs, opting-out formulae, equalization payments, and the like. Whatever else these devices may have accomplished, they have certainly eased the pressure for constitutional change.

In my own opinion, there is no present need or popular demand or consensus, certainly no hue and cry, for any massive constitutional resettlement. The time is obviously not ripe for any such major project; to use the American expression, there is no "clear and present danger." The Prime Minister was probably right the first time when he said that there is nothing much wrong with the present Constitution. We have all learned to live with it, and even to adjust it from time to time as the specific need arises.

We all know now that the federal-provincial conferences on the Constitution have been completely unproductive in terms of any single constitutional change. On the comparatively simple matter of patriating the Constitution with a formula for amending it entirely within Canada, no doubt the Fulton-Favreau Formula (FFF) and the Victoria Charter came close—close, but no cigar!

Perhaps we need a short rest—the pause that refreshes—in our pursuit of constitutional change. There are a lot of new provincial governments which will require time to reconsider constitutional issues, and these issues are still largely ill-defined. The constitutional aspirations of the Province of Quebec remain obscure to me. There are problems among even the separatists—which kind of separation, and what price separatism? And the federalists in Quebec have not yet, with any apparent consensus, answered the basic questions: "What kind of federation?" or "What price federalism?"

To take but a single example of provincial attitudes, an article entitled "The Constitution Question", under the byline of Nick Hills, in the Montreal *Gazette* of April 21, 1972, discusses the position of the new Conservative government in Alberta:

> As far as Lougheed is concerned, there is no sense in having any further review of the Constitution unless it includes machinery for changing the allocation of resources and responsibilities between Ottawa and the provinces.
>
> The Victoria Charter, he leaves no doubt, is a useless scrap of paper simply agreed to by a previous Alberta government. That agreement is not binding on the Conservatives.
>
> As for further constitutional changes, if they do not deal with what Lougheed considers to be a crisis created by the labyrinth of federal-provincial cost-sharing agreements, then Alberta will not sign.

• (1500)

I was tempted at one time to review all the recommendations made in the report and to comment upon them. However, I am satisfied that this too would be an exercise in futility, and I will spare the senators the experience of listening to such a speech.

While I will refrain from commenting, except in general terms, on the report as a whole, I propose to venture some remarks on the specific proposals for Senate reform embodied therein. I point out that not all of these so-called "reforms" are contained in chapter 13, entitled "The Senate." At least one—a vital one for the Senate—is contained in chapter 5, entitled "Amendments to the Constitution." At the present time the Senate has an absolute veto on all constitutional amendments, because of the convention which requires as a conditional precedent a resolution of both houses calling upon the Parliament at Westminster to amend the Constitution. The present report supports the recommendation in the Victoria Charter which gives the Senate a merely suspensive veto, for 90 days only, over all constitutional amendments.

I need hardly say that such an amendment could provide for the abolition of the Senate or for a vast reduction of its powers. The Senate would indeed be at the mercy of the constitutional formula, just as the House of Lords is at the mercy of the House of Commons at Westminster. Without arguing at the moment that the Senate should have an absolute rather than a suspensive veto in other respects, it seems to me that at the very least the Senate should retain its absolute veto in all constitutional amendments touching and concerning the powers, privileges and immunities of the Senate. Such proposed amendments should require the concurrence of the Senate as well as that of the House of Commons. For myself, I could agree to no less. In agreeing entirely to the proposals of the Victoria Charter and of the present report the Senate would be signing its own potential death warrant. Not even a hardened criminal is asked to do that, and whatever our demerits in the eyes of some detractors, we are not hardened criminals.

Hon. Mr. Goldenberg: May I be permitted to point out to the honourable senator that while the Victoria Charter provided for only a suspensive veto on constitutional change, such change could not affect the powers of the Senate unless made with the consent of at least six provinces.

Hon. Mr. Choquette: I am coming to that. I would not leave that in abeyance, because my thought would not be complete.

In the White Paper of October 1969, entitled "The Constitution and the People of Canada", it is said at page 26:

> The Government of Canada has therefore advanced proposals in the area of central institutions which would preserve the essentials of the present system and put them beyond reach of impulsive change.

I say "Amen" to that.

If the Senate's powers initially are to be severely curtailed, there should at least be no further or future curtailment without the consent of the Senate. I believe this is, or should be, the attitude of most honourable senators. Certainly, it is mine. I could not vote for any formula that did not contain this minimal constitutional safeguard.

I turn now to chapter 13—

Hon. Mr. Connolly (Ottawa West): May I ask the honourable senator a question? I quite follow his argument, which I think is well founded, but would he not agree that any proposal to limit the powers of the Senate must first

of all be agreed to by the Senate before it is put into effect?

Hon. Mr. Choquette: Not according to this recommendation, because there would be a delay of 90 days and in other matters not constitutional there would be a delay of six months, and if after that time the Senate could not agree, then it would become law as enacted by the House of Commons. But I am coming to that explanation in a minute.

Hon. Mr. Connolly (Ottawa West): I think perhaps the honourable senator is one step ahead of me. I am a step back, saying that if these restricted powers that are to be imposed upon the Senate are in fact to come into being, would not the consent of the Senate be required to bring them into being?

Hon. Mr. Choquette: I am only saying that I am not ready to sign such an agreement.

Hon. Mr. Connolly (Ottawa West): That is fair enough, but we still have to agree here, before these powers can be restricted.

Hon. Mr. Choquette: Oh, yes.

I turn now to chapter 13, entitled "The Senate." There the first recommendation is that in respect of all legislation the Senate should have merely a suspensive veto, in this case for six months. I think that is what my honourable friend across the floor was asking about. The formula reads as follows:

> —a bill may become law without the consent of the Senate (1) if the House of Commons, having once passed it, passes it again no less than six months after it was rejected or finally amended by the Senate or, (2) if, within six months of third reading of a bill by the House of Commons the Senate has not completed consideration of it, and the House of Commons again passes it at any time after the expiration of the six months, but any period when Parliament is prorogued or dissolved shall not be counted in computing the six months.

In support of this recommendation, the report says at page 34:

> The veto power of the Canadian Senate is unlimited.

This in itself is a contradiction.

> Even in the case of money bills (while it is true that the Senate cannot initiate them or increase the amount), it can refuse to pass them or can reduce the amounts. There has been no change in this power since 1867. On the other hand, the constitutional power of the British House of Lords, on which our Senate was basically patterned, has been reduced. In the case of the Senate a curbing of its veto power would, paradoxically, strengthen it, and do so without weakening the House of Commons. It would increase the possibilities of confrontation, but avoid the perpetuation of deadlock by ultimately giving the House of Commons its way.

I, for one, am not convinced by this argumentation. There has been no abuse of the Senate's power of veto in the last 50 years, and there has not even been any need of a conference to resolve a so-called deadlock since 1947. Obviously, the Senate would be weakened, and its influence and prestige considerably reduced, by this unnecessary innovation. I have failed to detect any public clamor or mandate for the proposal. It appears based not on practical politics, but on some intellectual hypothesis. If it is adopted, the proper expression in future would be "the sovereignty of the House of Commons" and no longer "the sovereignty of Parliament": the expression "sober second thought" would have to be replaced by a "frantic second glance." I would not regard such changes as salutary. Like Senator Forsey, I am a conservative constitutionalist, but in my case the "c" in conservative could be in either upper or lower case.

• (1510)

Honourable senators, I am not opposed to all of the recommendations for Senate reform contained in the report. I believe that money bills, other than appropriation bills, could usefully be introduced in the Senate. I have no disagreement either with the report's recommendation concerning the distribution in the House of Commons. And our work has become such that 130 is not an unwieldy or inordinate number, though I am not sure where we would put them all.

I believe also that the report makes a good case for the gradual appointment of one-half the senators from panels submitted by each province or territory. The panel system need not really involve any formal constitutional change in the method of appointments by the Governor General on the recommendation of the Prime Minister. It could become by general agreement a constitutional custom or convention. The advantages would be several. It would give the provinces and territories a real stake in the functioning of the Senate, and so would go a long way towards ensuring its continual existence far into the future. It would be, in effect, the joint creature of the federal, provincial, and territorial governments.

But it would have one further beneficial effect that has not yet been adverted to in this debate. It would tend to restore to a great extent the "adversary system" which lies at the root of our legislative and judicial systems. In support of what I have just said—I am sure that Senator Connolly sees this coming; it really enforces what I have just said—I quote the remarks of my honourable friend, Senator John Connolly, as reported in the *Debates of the Senate* of February 25, 1969, at page 1063:

> Honourable senators, in my own considered opinion when the number on the Opposition benches falls below 35 per cent of our membership the result is not good for this house or for the work it does . . . The onus upon the leader opposite is oppressive when he has too few people around him. Perhaps the leader of the opposition party in the country should have the power to nominate a panel in such circumstances—unless, of course, by provincial nominees the opposition benches are going to be filled up. But is that an assured possibility?

This is Senator Connolly asking that question, the same as I would.

> I pay my tribute to the work that is done by the Opposition here. If we ignore their problems—however misguided their political philosophy may be—

I did not want to eliminate that.

—I say we ignore their problems at our peril.

The Conservative side of this house has from time to time been badly outnumbered by the Liberal side, although this kind of imbalance was not contemplated by the Fathers of Confederation. I remember in 1957 there were only five Conservatives in this house. There were, as we all remember, Senators Haig, Aseltine, Felix Quinn, Marcotte and Horner. Some of them were aging and had difficulty in holding their own against such a huge Liberal majority.

Moreover, if the new proposal were implemented, it might reasonably be expected that our numbers would increase sufficiently to permit us to fulfil our traditional constitutional role effectively. There are a lot of Conservative provincial governments, and provincial or territorial points of view could be presented directly in this chamber.

The scheme might be difficult to work out technically—perhaps the purely provincial appointees could have limited tenures so that they would not be completely out of step with current provincial governments—but I am all for it in principle, as I have already indicated. I am quite sure the technical details could be worked out, although this does not appear to have been done as yet. In such matters, perhaps we have a long way to go, but if we know our destination we can surely get there.

My own view is that we should now "cool it" so far as major constitutional reconstruction in Canada is concerned. It seems to me that the Prime Minister has already "cooled it," the authorized expenditures for the federal secretariat on the Canadian Constitution having already been vastly reduced. I venture further to suggest that proposals for constitutional reform will not be a significant element in the forthcoming general election.

Despite the exhortations in the report to beat the drums and sound the trumpets for constitutional reform, I am afraid that the drums will be still and the trumpets muted.

It is in the foregoing context that I think this report must be evaluated. It has been a good intellectual exercise and the dedication of Mr. MacGuigan and the myriad members of the committee are commendable. But, as far as any immediate effect upon the existing Constitution is concerned, it is likely to be an exercise in futility.

Honourable senators, I could be wrong. I have been wrong before. The report, as its advocates insist, might prove to be a veritable bonanza, a milestone on the road to constitutional progress. But, in this case, as I said before, I am the devil's advocate. I am also from Missouri.

By and large, I agree with the recommendations dealing with the qualifications of senators. Certainly the property qualifications are both unrealistic and unnecessary today. I remember in 1957 or 1958 when Senator Monette was summoned to the Senate. I think he happened to be on a hunting trip. He was told that in order to qualify he should have property worth at least $4,000 in that particular area, Mille Isles, which is situated close to Lachine, where he was to be appointed. I remember his telling me that he had to telephone a notary in the middle of the night and say, "Buy me a garage, buy me a vacant lot, buy me anything that is worth at least $4,000, because I have to qualify." I wonder if today one could get a vacant lot for $4,000 in any area in any province.

• (1520)

The same may be said of the Quebec restrictions requiring residence on property holdings in the electoral divisions of the old Province of Lower Canada. As the report states, "The Senate must be representative of all facets of society."

The report recommends that any Canadian be eligible for Senate appointment at age 18—I do not know how that strikes honourable senators—and that future appointees to the Senate shall retire at age 70. If the Senate is to retain its traditional role as the house of sober second thought, perhaps 18 is too young, although if it is to become a house of "frantic second glance," perhaps the young could glance as well as anyone else. Again, there will be argument concerning the retirement age. In these days, judging from the contributions being made to the work of this Senate by those who are in their 70s, I am inclined to think that the age limit should remain at age 75. Certainly there should be no retroactive provision in this regard.

I do not think that the committee, the Senate, or the country should be unduly dismayed by the slow progress being made in the way of constitutional reform. Neither Rome, nor the Canadian Constitution, was built in a day. The ordinary people of Canada are not alarmed. Walter Bagehot, the great constitutionalist of an earlier day, regarded conservatism as deeply ingrained in human nature—an expression of the secret wish of "all ordinary decent people, poor and rich, to lead the life to which they had been used, and to think the thoughts to which they have been accustomed."

Honourable senators, I hope that what I have said will be recognized as the blunt truth. However, I know that, as Bismarck once said, "Nothing can be regarded as true until it has been officially denied by the Government."

Hon. Mr. Flynn: I move adjournment of the debate. I would not want it to end on such a happy note.

On motion of Hon. Mr. Flynn, debate adjourned.

AGRICULTURE

DESIRABILITY OF ESTABLISHING STANDING SENATE COMMITTEE—DEBATE CONCLUDED

The Senate resumed from Wednesday, March 29, the adjourned debate on the motion of Hon. Mr. Argue, that in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said committee by the Senate.

Hon. Jacques Flynn: Honourable senators, I have only a few remarks to make on this motion. I agree that it is desirable to establish a Standing Senate Committee on Agriculture to consider legislation and other matters pertaining to agriculture that may be referred to that committee by the Senate. My problem had to do with procedure. I wanted to look into the meaning of the motion and the way it might be implemented if passed by the Senate.

As I see it, if we pass the motion—and there seems to be general support for it—it would not have the effect of amending the rules of the Senate. It would not, by its mere passing, create another standing committee of the Senate. This would require another motion. I was not sure about that, and I had in mind that the motion could be amended by adding "and this question be referred to the Rules Committee for consideration and report."

However, since coming to the conclusion that it does not automatically create a new committee I do not intend to move that amendment at all, and I will accept the motion with the reservation, as I think would be the practice, that before such a committee is created the Rules Committee should look into it. When we revised our rules the Rules Committee adopted the principle of reducing the number of committees because of the difficulty in manning so many of them at the same time, and because of this I doubt that we should have a committee which would have only the problem of agriculture as its responsibility. It may be that agricultural problems are not, let us say, well assigned in the Standing Senate Committee on Banking, Trade and Commerce because it is such a busy committee. Perhaps the Rules Committee will be able to designate another committee to which agriculture could be referred, and where it could be better taken care of.

That is the only point I wanted to make. Since another procedure has to follow this motion in order to create this standing committee, I will say simply that I am in agreement with the idea that the committee should be able to devote a large part of its time and efforts to this very important aspect of our economy. Therefore, as far as I am concerned, this motion can be adopted, subject to the remarks I have just made.

Hon. Mr. McDonald: Honourable senators, may I ask the honourable senator whether he would not agree that if the motion now before this house passes it would amount to a directive to the Rules Committee to re-examine the present committees, especially the Standing Senate Committee on Banking, Trade and Commerce to which agriculture is now assigned, and make a report to this chamber for a second decision?

Hon. Mr. Flynn: That was my feeling, and that is the way I thought it would have to move. Of course, it could be by way of a direct amendment to the resolution calling for an amendment of our rules thus bypassing the Rules Committee, but I hope this would not be the case. I feel that the Rules Committee is the proper committee to consider the establishment of such a committee, and whether other matters should be included in its terms of reference.

Hon. Paul Martin: Honourable senators, I think that Senator Argue's proposal for the establishment of a Standing Senate Committee on Agriculture is good. The debate thus far, I think, has indicated that there seems to be a gathering consensus that this should be done. As I listened to the debate, I wondered why this move had not been initiated a long time ago. It is inconceivable that the Parliament of Canada could establish parliamentary committees that were not capable of addressing themselves to the problems of agriculture. There is a Standing Committee on Agriculture in the other place. That place is not charged exclusively with responsibility for the consideration of agricultural policy and agricultural matters and, therefore, it would seem desirable that there should be an additional forum presented through the Senate for consideration of agricultural problems.

• (1530)

Having stated my support in principle of the proposition put forward by Senator Argue, I am wondering if some examination must be made of some of the remarks of the Leader of the Opposition. I agree with Senator McDonald that if we pass this motion today we will be giving a clear direction to the Standing Committee on Standing Rules and Orders to change the rule so as to make it fully consistent with the terms of this motion. It is not a question of two bodies having co-ordinate jurisdiction. This will be a direction to our Standing Rules and Orders Committee; it will have no option but to bring forward a change in the rules that will withdraw from the Standing Senate Committee on Banking, Trade and Commerce's plenitude of powers particular responsibility for considering matters that come under the agricultural category. While there will be an opportunity for further consideration of the matter, there will not be a further opportunity for disputing the principle, assuming the passing of this motion.

I suppose it will always be open to any senator to propose that the committee on agriculture to be set up pursuant to this motion should have other functions. I am not suggesting that now. There was a suggestion made during the course of our deliberations that consumer affairs might well be included for consideration by a Senate committee such as the one now proposed on agriculture. I am not making that suggestion, but it is conceivable that at some future date such a matter might well be included, either as part of the responsibility of such a standing committee or as a subject that should be removed from the present powers of the Standing Senate Committee on Banking, Trade and Commerce. Indeed, I think Senator Lafond did propose such an amendment to this very motion.

Honourable senators, I rise simply to give support to this motion. I think the quicker such a committee is set up the better it will be in the interests of this house. I think it will prove to be a constructive effort.

Hon. Sidney L. Buckwold: Honourable senators, I am impressed with the point made by the Leader of the Opposition. That is not to say I do not completely support the proposition put forward in the motion of Senator Argue, because in my opinion there certainly is need to establish a committee on agriculture. But I am beginning to become a little concerned about the number of proposals for special committees of the Senate, even though our work is more and more in that important direction.

Hon. Mr. Martin: This is not a proposal for a special committee. This proposes the establishment of a standing committee.

Hon. Mr. Buckwold: I apologize. It is for a standing committee. In due course there will be a motion by Senator Croll for a standing committee on aging. When we were discussing the Speech from the Throne I indicated that in my opinion a standing committee on urban affairs, in view of the urbanization of our country, is absolutely essential. It seems to me almost as ludicrous not to have a

standing committee on urban affairs as not to have a standing committee on agriculture in order to review the appropriate legislation in a very special way.

I do not know, perhaps because of inexperience, how the Senate will handle these proposals. They are all, I believe, very urgent. I put this forward merely for consideration by the government leader before we finally decide on the establishment of a committee on agriculture. The matter should be reviewed by the Standing Committee on Standing Rules and Orders together with the other considerations, bearing in mind that there will be other similar proposals. I personally intend to propose a committee on urban affairs in due course.

The Standing Rules and Orders Committee should look at the whole situation so that we know in which direction we are going. I merely draw this to the attention of the government leader, and perhaps it might be considered.

Hon. Hazen Argue: Honourable senators—

The Hon. the Speaker: Honourable senators, I must point out that if the honourable Senator Argue speaks now his speech will have the effect of closing the debate.

Hon. Mr. Argue: Honourable senators, I have been delighted with the support this proposition has received in the chamber generally. Along with my leader, Senator Martin, Senator McDonald, and others, I have certainly wondered from time to time why the Senate was not able to have, and did not have, a standing committee on agriculture. While we may be short-handed from time to time, I feel that if senators decide, as I expect and hope they will, that this committee is of sufficient importance, steps will be taken to obtain the necessary attendance at committee meetings to make it function. I think this will be forthcoming. I do not think it appropriate for me to name them, but from conversations with some honourable senators there is no doubt in my mind that if the Senate feels agriculture is of importance, as stated in this motion, such a committee can be manned.

We should no longer allow ourselves to be in the position we were in at the end of last session, when major legislation came in at the last minute and was referred to the Standing Senate Committee on Banking, Trade and Commerce without, in my judgment, proper consideration being afforded to those measures at that time.

Hon. Mr. Flynn: With great respect, it was the timing that was bad. I disagree with what the honourable senator has just said. I think the timing was bad; it was not a question of having a committee or not.

Hon. Mr. Argue: I would think it was a question of not having any committee, because the Standing Senate Committee on Banking, Trade and Commerce dealt with amendments to the Income Tax Act by having meetings prior to the measure coming before this house.

Hon. Mr. Flynn: It took only a few hours.

Hon. Mr. Martin: The Leader of the Opposition was not here so he does not know.

Hon. Mr. Flynn: I was not here, nor were you. You were hiding in your office.

Hon. Mr. Argue: Some of us made a special effort to attend, after having been placed on the Standing Senate Committee on Banking, Trade and Commerce in this emergency situation. We did the best job we could at that time. I am still thoroughly convinced that had there been a standing committee on agriculture during the last session, we would not have been in the bind we were in on that particular piece of legislation, because such a Senate committee could have been dealing with the subject matter thereof at a very much earlier date.

• (1540)

Honourable senators, to me agriculture is of major importance in Canada, even though the numbers engaged in it may be declining. It is important because of the economic contribution which the agricultural industry makes to the whole economy. It is of importance today because of the growing value of agricultural exports on the international market and because of the increasing importance of agricultural commodities in international trade. Agriculture is important because a great part of the poverty of Canada is found in rural areas. If such a committee as is proposed at this time is in fact established, Senator Michaud has asked that it make a particular study of the grave economic situation in the agricultural County of Kent in the Province of New Brunswick.

Hon. Mr. Welch: I wonder if the honourable senator has any idea of the number of farmers who are on welfare because the welfare system is paying too much money.

Hon. Mr. Argue: I do not have the statistics. I have the statistics which Senator Michaud put before the Senate as to the exodus of farmers out of Kent County, and they are absolutely astounding. That evidence alone suggests an important activity for this committee. However, a substantial percentage of the poverty of this nation is found in rural areas, and the whole question of poverty cannot be thoroughly and adequately dealt with until some further consideration is given to the agriculture industry itself.

Honourable senators, I am very pleased at this time to ask the Senate to make a decision on this motion, which expresses:

> That in the opinion of this House it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said Committee by the Senate.

Motion agreed to.

HEALTH, WELFARE AND SCIENCE

LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE CONTINUED

The Senate resumed from Thursday, March 16, the adjourned debate on the motion of honourable Senator Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. Eugene A. Forsey: Honourable senators, I am afraid I am going to be known as the "instalment plan

senator" because I make my speeches on the instalment plan. This is perhaps an indication of my quality of unstrained mercy towards the chamber, but it may become a little tedious and I venture to express the hope that it will not in fact become a habit of mine.

Hon. Mr. Argue: More and better publicity.

Hon. Mr. Forsey: This I have no control over. There are about seven points I would like to make, very briefly, in finishing up what I have to say on this subject.

First of all, I think it must be pretty generally recognized that the present situation in regard to disputes in public services is not really thoroughly satisfactory to anyone. It may be the best we can do—I am not certain of that—but it does seem to me that it cannot be regarded as completely satisfactory to anyone. It certainly is not satisfactory to the public to have certain essential services disrupted or partially disrupted for considerable periods of time. It certainly cannot be satisfactory to the workers concerned to have their earning power, for one reason or another—good reasons or bad—interrupted for considerable periods of time. This is something they would like to avoid.

There is of course a superstitious belief in some quarters that workers spend most of their time dreaming of the days when they can go on strike, the exquisite and delightful experience of going on strike and being on the picket line and being without anything but strike pay, if that, during the period they are out. You do not need very much knowledge of the labour movement from the inside to realize that this is a somewhat comic view of the frame of mind of workers. Workers are just as anxious to avoid strikes as anybody else. If anything, I should think they are much more anxious to avoid strikes than other people are.

If there is some way of reducing the number of strikes and reducing the duration of strikes, without doing violence to what workers regard as their essential rights, you would find a warm reception for any such proposals in the ranks of the workers of this country.

Honourable senators, the situation cannot be satisfactory to the employer, the Government of Canada or a crown corporation, again for perfectly obvious reasons. It means a loss of revenue, it means inconvenience and public exasperation, pressure upon the employer, whether the government or a crown corporation, to manage things better; complaints, rows, rumpuses, difficulties. So I do not think it is altogether idle to have some properly qualified body make an adequate investigation into the working of the present legislation dealing with this matter. In other words, I am not prepared to say that we live in the best of all possible industrial relations worlds, whether in the public service or in a crown corporation.

The second thing I want to say is that I hope people will not run away with the idea that there is some magic in compulsory arbitration. Sometimes some people seem to regard compulsory arbitration in the same light as the old lady who remarked that she was so devoted to that blessed word Mesopotamia in the scriptures, she had got such comfort out of it. To some people, the phrase "compulsory arbitration" is a sort of magic phrase and all you have to do is invoke the magic and there you are. I think a little experience of industrial relations might dispel this view. Quite a number of years ago I was asked by the Montreal Board of Trade to take part in a panel discussion on compulsory arbitration. The other people who were taking part were a representative of the Canadian Pacific Railway—a very high management official—a representative of, I think, the Canadian Chamber of Commerce or the Canadian Manufacturers' Association, some employer organization, and a member of an industrial relations firm which was notorious in the labour movement for its strong management bias.

I was put in the favoured position of speaking last. When it came my turn to speak, I was obliged to say: "Mr. Chairman, ladies and gentlemen, I am sorry, it is a dreadful confession for a labour representative to have to make, but I entirely agree with what the other members of the panel have said"—because every one of them had damned compulsory arbitration with bell, book and candle; they said it just would not do, it was undesirable and was unworkable. I do not think that completely settles the question, because that was a general opinion, about compulsory arbitration in general.

• (1550)

Of course, if you want to bolster this objection to compulsory arbitration in general, you have really only to look at countries like Australia and New Zealand where there has been a system of compulsory arbitration for a great many years and you will see that it simply has not prevented strikes. The last time I looked at the statistics over a long period of years—it was some time ago now—I think it is safe to say that, although on the whole the strikes in Australia and New Zealand were rather shorter on the average than the strikes here, there were more of them, and, in proportion to the size of the working force and the degree of industrialization of those countries, the time lost from strikes was greater than it was in this country. And this was not for a particular year. If you take a particular year you may find the comparison is different, but this was over a long period of 25 or 30 years—something of that kind—taking good years and bad years alike.

You have to ask yourself, in fact, how effective a system of general compulsory arbitration would be; how practical it is. It is one thing for this to work even as well as it does in Australia and New Zealand with their very different tradition from ours—different not only in the matter of labour relations legislation, but different in the balance of social forces. You have had, for example, in both of those countries for a long time a Labour party. Well, here we have had nothing much of the sort. We have had what you might call a sort of hemi-demi-semi-labour party for a good many years now, but it has never been one of the major parties of the state in the sense that the Australian and New Zealand Labour parties have been. It has never been within reach of achieving power in the country as a whole, although it has, of course, done so in certain provinces. But in Australia and New Zealand you have had repeatedly over long periods and for many years back labour governments—governments made up of the Labour party, supported in general by the trade unions.

This is the kind of situation we have not had here. It is a tradition we have not had here and an atmosphere we have not had here.

There is always the possibility that, taking into account our tradition, our balance of social forces, our general situation, our history and our general legislation, the legislation we have now may turn out to be suitable and the best we can get for this country. I do not say it is. I say it is a possibility. We have to look at it in the light of these various factors. Possibly, the trouble is not with the legislation but with the way it is being administered. Possibly, the trouble is that the unions concerned and the employers concerned have not in the one case or the other, or both, had enough actual experience of collective bargaining. Collective bargaining in the public service is pretty new. I suppose you can say that it is really astonishing that in so many cases it has worked out as well as it has. I think the Prime Minister the other day said that in 98 per cent of the cases which have arisen since the introduction of collective bargaining in the public service, everything has been settled without any difficulty. The exceptions, of course, have been pretty conspicuous and pretty important.

But perhaps it is surprising that in all circumstances the system has worked out as well as it has. Nevertheless, I cannot help feeling as I look at the way it has worked out that in certain instances the process of carrying out what is provided for in the act has been unduly slow.

Years ago in the old International Labour Organization there was a quip which went around among the members of the organization:

> The mills of the gods grind slowly,
> But they grind exceeding small;
> But if they ground I.L.O.-ly,
> They'd never grind at all.

Well, in some cases it seems to me here that the mills of industrial relations in the public service have ground rather slowly—even "I.L.O.-ly." And they have not produced results simply for that reason. They have not produced satisfactory results.

If the newspaper reports are to be believed, on occasion it has only been after a contract has actually expired that the negotiations have got seriously under way. In certain other cases it appears that for reasons which may be perfectly adequate, and I think there are some grounds, judging by what people in the government have told me, it may be that for reasons which are perfectly adequate, the employer, the public service or the crown corporation, has not made counter proposals when the unions came forward with proposals which would strike almost anybody, I think, except the people concerned, as absolutely fantastic—proposals for an increase of 60 per cent over two years. Well, if you had absolute starvation wages to begin with, there might conceivably be something in this, but in the circumstances I do not think the Treasury Board could be blamed for saying, "Look, this is ridiculous. When you start saying something practical we will start discussing it."

But this is not good enough. It seems to me that an experienced negotiator would say, "All right, you say 60 per cent. Rats! Nonsense! Ridiculous! We are not going to consider that. We will offer you 15 per cent."

"Oh, well, you say ours is ridiculous. That is equally ridiculous. It has got to be at least 50 per cent."

"No, that is too much."

"Well, what do you want?"

"Let us say 20 per cent."

"No, no. We cannot do that. That is far too low."

And you go on pushing and pulling and negotiating and eventually you arrive at some sort of compromise. But it seems to me to be very bad industrial relations practice to start off by saying, "Until you fellows have got something more sensible to say than that, we are simply not going to talk."

It is possible, therefore, that the act is all right, or that the various acts which may govern this matter are all right, that the legislation is all right, but that the working of the legislation is not satisfactory. This is something upon which an investigation might well concentrate.

The next point I want to make is that this investigation, if it is going to be thorough, is going to be a very long and complicated job.

> Fair and young were they,

said Longfellow

> when in hope they began that long journey.
> Faded and old were they, when in disappointment it ended.

Well, the investigation might not end in disappointment, but there have already been a great many investigations of this subject fairly recently. They have been pretty thorough investigations. There was, for example, the Woods Task Force. There was in Ontario the Rand Royal Commission on the subject. I think at the moment there is in process of reporting a one-man royal commission in Newfoundland on the same subject. Perhaps its report has already been made. Professor Cohen told me just a matter of weeks ago that it was just in the final stages and he hoped to submit it very soon.

Well, these investigations have been very thorough and have been conducted on a massive scale with a great deal of technical help of the most adequate kind, and yet they do not seem to have come up with "the answer." They have come up with what they regarded as answers, but they in fact have not been universally approved, to put it mildly. I hope nobody will think that what has been hidden from the wise and prudent in the Woods Task Force or in the person of the late Mr. Justice Rand is necessarily going to be revealed unto a Senate committee.

I have just three other points. First, exactly what is the intended scope of the investigation which the motion suggests? Is it going to be confined simply to the terms and the administration, the application, of the Public Service Staff Relations Act? Or is it going to go beyond that? Putting it another way, you have the problem of defining what you mean by public services. I take it that the committee would be considering only public services, however defined, within the scope of the jurisdiction of Parliament, although that is not, of course, a necessary restriction. But I rather took it from the terms of the motion that that is what was intended. But the question then arises, should we restrict the terms of reference of a committee of this sort simply to the Public Service Staff Relations Act or simply to Dominion legislation on the subject, things within the jurisdiction of the Parliament of

Canada, or should we consider the whole field? There, of course, the results of our investigation would be in part somewhat academic because we have no power to do anything except whisper in dulcet tones to provincial governments what we think it might be wise for them to do. Still, a cat can look at a king, so I suppose a Senate committee could, respectfully and with genuflections and expressions of deepest humility and respect, proffer advice to provincial governments on this subject.

• (1600)

My final question is this: if we are going to have an investigation of this sort, whether in the broadest terms or in relatively narrow terms, should it be entrusted to this committee, the particular committee that is proposed? At the moment it does not seem possible for us to entrust it to anybody else if we should decide to have the investigation. But with great respect I must again suggest, as I think I did earlier, that the committee would at least need some enlargement of its membership or some change in its membership—it could not be an enlargement, of course, under the rules—but some change in its membership to give rather more expression to the experience and the opinions of people with a union background—and there are a few of us in the house—or industrial relations experts like my honourable friend, Senator Goldenberg who possesses in this field a quite unrivalled experience. I should say that if this investigation is to take place and is to be entrusted to this committee—and I think I am repeating myself here, but I have no hesitation in doing so because I think the point is so important—it would be indispensable to have on that committee Senator Goldenberg, and I think it would be equally indispensable to have on that committee Senator Lawson and probably one or two other senators who have had labour experience. I again repeat that I have no desire to be on this particular committee myself; it would be a matter of sheer duty and nothing else if I were persuaded or coerced into it.

But I think that it would probably be better, and this would probably involve putting the matter off to another session, it would probably be better, even at the risk of incurring the frowns of Senator Buckwold, to consider the desirability of re-establishing the Standing Committee on Labour and Immigration. We used to have one—or I should say that you used to have one, because it was long before my time in this house—you used to have a Standing Committee on Labour and Immigration. Now perhaps those should not be bracketed together and perhaps there should simply be one on labour, or perhaps not. But I rather think that it would be desirable to consider this matter very carefully indeed before passing this motion, and to consider whether it is not desirable that the investigation should be conducted, if the Senate decides upon it, either by a standing committee on labour or a special committee set up for this particular purpose. The more I have thought about this motion, the more I have been uneasy about the prospect of entrusting this investigation to the Committee on Health, Welfare and Science as at present constituted. Again I hasten to add that I am not for a moment suggesting that the members of that committee are not the most admirable characters, splendid citizens, vastly endowed with all sorts of intellectual and emotional gifts and splendid fellows in every way, but simply I wonder whether they have been chosen for that committee with this kind of investigation in mind. I wonder simply whether we ought not to have a committee with a somewhat different basis of choice to look into a matter of this complexity and importance.

With those somewhat scattered reflections, honourable senators, which are not, I hope, without some practical value, I conclude the second and last instalment of my speech on this subject.

On motion of Hon. Mr. McDonald, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a contract between the Government of Canada and the Corporation of the District of Salmon Arm, British Columbia, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Report of the Public Service Staff Relations Board for the fiscal year ended March 31, 1971, pursuant to section 115 of the Public Service Staff Relations Act, chapter P-35, R.S.C., 1970.

PARLIAMENT HILL BILL

REPORT OF COMMITTEE ADOPTED

Hon. J. Harper Prowse, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill C-78, respecting the use of the expression "Parliament Hill", and had directed that the bill be reported with the following amendments:

1. Page 1, line 9: After the word "location" insert the words "in the National Capital Region".

2. Page 1: Strike out line 17 and substitute therefor the following: "establishment providing services."

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Prowse: With leave, now.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator be good enough to tell us the significance of these amendments?

Hon. Mr. Prowse: Yes. The amendments are very simple. The point arose that in describing Parliament Hill it has been the practice in some of the provinces, in particular the Province of Quebec, to refer locally to the location of the provincial legislature as Parliament Hill. It was not the intention of this bill to interfere with that practice in the provinces. It was first suggested that we might change the first part of the bill, and the insertion of the reference to the capital region would accomplish that. By reference to your copy of the bill you will realize that this would weaken paragraphs (b) and (c), which refer to a limitation on the use of the words for commercial purposes. These paragraphs set out a difference. It was decided after some discussion and by agreement with all involved and interested that limiting the use of the words as to the location of any place in the capital region would not impinge in any way on the rights of the provinces or others outside the area whom we particularly wish to protect. After a great deal of discussion and work, Senator Goldenberg presented this solution, which was satisfactory to all.

The second amendment applied to paragraph (c), which limits the use of the words to a commercial service rendering establishment. That is a rather awkward phraseology. The amendment simply changes it to read for the provision of commercial services. That makes neater language and is the only difference. Had we changed the original clause, as was suggested, it might have reduced the application of the prohibition against the commercial use of this phrase outside the capital region. The way it is now, we limit the use of the Hill to a particular locality, to within the capital region itself. So there cannot be any repetition of the kind of situation which led to the introduction of this bill, which was brought about by a new hotel in this city deciding to call itself the Parliament Hill Inn, or something like that.

• (1410)

The other amendment still leaves a completely broad application of the limitation of the use for purely commercial purposes. In other words, we have dealt with the complaints raised by my honourable friend, the Leader of the Opposition in the Senate (Hon. Mr. Flynn), without derogating from the general effect of the bill.

Hon. Mr. Connolly (Ottawa West): I thank the honourable senator for his explanation. I am sure that with the kind of able counselling which he could provide, and with the additional counselling which he could obtain from Senator Goldenberg, legally this document will be unimpeachable. I understand that it is a private member's public bill. May I ask the chairman whether the sponsor in the other place has agreed to the changes suggested?

Hon. Mr. Prowse: Yes. Probably the answer might come from Senator Goldenberg; but perhaps I could say that he was careful to see all persons concerned with the bill. As it now stands, it has the agreement of the sponsor and the Leader of the Opposition on any regional objections, and as far as I know the bill overcomes the objections of anyone who had an objection up to this point. Like the wedding: now all in favour hold their peace.

Hon. Mr. Connolly (Ottawa West): I had not realized that it had the able counselling of the Leader of the Opposition. I should have mentioned him.

Hon. Mr. Argue: Senator McIlraith agrees.

Hon. Eugene A. Forsey: Honourable senators, I want to say what I had hoped to say when the bill was up for second reading, by way of tribute to the mover of the bill in the other place who, I understand, will soon be a member of this place, if in fact he is not already gazetted. I think it is the appropriate moment to say that the Honourable George McIlraith was a very fine member of Parliament and an excellent Leader of the House of Commons. He never put a foot wrong in that capacity, which you could not say of all his colleagues in that particular administration.

I think also one might say of him—and I think he might have echoed himself the statement of Sir William Harcourt—that:

> To all who have taken part in the noble conflicts of parliamentary life, the chiefest ambition is to stand well with the House of Commons.

I think it can be said of the Honourable George McIlraith, as he leaves one house to become a member of the other, that he stood well with the House of Commons and realized that "chiefest ambition" of those who have ever "taken part in the noble conflicts of parliamentary life."

Hon. Mr. Martin: May I ask the honourable senator where he gets his pipeline?

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. A. Hamilton McDonald: With leave of the Senate, and notwithstanding Rule 45(1)(b), I move that the bill be read a third time now.

Hon. Mr. Flynn: Perhaps there is one reason why leave should be given.

The Hon. the Speaker: May I ask the Leader of the Opposition—

Hon. Mr. Flynn: Mr. Speaker, it is on the question of leave and not third reading. I am trying to find out whether we should give leave today. Apparently Senator Forsey has provided the reason. The sponsor of the bill in the other place might join us. Since the Leader of the Government has indicated that he does not know anything about it, I think we should force him to stand up and say whether or not the sponsor of this bill in the other place has been appointed to the Senate. Is it official or not? If it is official I will give leave without any hesitation, because I would not want him to come here and discuss a bill which he sponsored in the other place. I want to clear the matter up and welcome him to this chamber with open arms. Before giving leave I should like to hear from the leader whether Mr. McIlraith is now a member of the Senate, and, as well, if there are other appointments.

Hon. Mr. Bourget: You want to know too much.

Hon. Mr. Flynn: It might be relevant to the present bill, for all we know. And I should like to know whether some of those appointees will be sitting on this side of the house.

Hon. Mr. Martin: I do not know that I can satisfy Senator Flynn on the last point he has raised.

Hon. Mr. Flynn: I would be very surprised if you did.

Hon. Mr. Martin: I am not in a position to say whether or not the information given to us by Senator Forsey is accurate until such time as the Prime Minister himself, who is the head of the executive, makes an announcement. No one should know better than the Leader of the Opposition that it would be wrong for me to anticipate.

Hon. Mr. Flynn: Shall we postpone third reading, then, until later this day?

[Hon. Mr. Forsey.]

The Hon. the Speaker: Honourable senators, I have put the motion subject, of course, to leave being granted. Do I understand that leave is being granted to proceed with third reading?

Hon. Senators: Agreed.

Hon. Mr. Flynn: We want to clear the way, in any event.

Hon. Mr. Martin: Let us hope it satisfies all.

Motion agreed to and bill, as amended, read third time and passed.

INCOME TAX ACT

NOTICE OF INQUIRY

Hon. Louis P. Beaubien: Honourable senators, I give notice that on Tuesday next, May 2, 1972, I will call the attention of the Senate to the dividend tax credit provided for by section 121 of an Act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that Act, Chapter 63, Statutes of Canada, 1970-72.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, May 16, 1972, at 8 o'clock in the evening.

Honourable senators, I was hesitant to rise on the motion for adjournment in view of the inquiry that was placed on the Order Paper by Senator Beaubien. I am sorry that Senator Beaubien has had to leave the chamber, but I think I can assure honourable senators that Senator Beaubien will have the opportunity to deal with his inquiry probably much earlier than May 16.

• (1420)

Hon. Mr. Flynn: Is that a definite assurance that we will have occasion to deal with it?

Hon. Mr. McDonald: If you think my statement is worth that much, there will be such an occasion. However, I know you are all aware that the flow of work from the other place to the Senate has not been great, and there is a possibility that there will be some delay in work coming to this house from the other chamber. I suspect, and I have every reason to believe, that we will be recalled prior to May 16. On the chance that this legislation might not come to us, the decision has been made that we should adjourn until May 16, subject to recall. I repeat that I fully expect we will be recalled before that date. However, committees of the Senate will continue to sit during the adjournment, and I will be moving a motion later on with respect to the Standing Senate Committee on Foreign Affairs. I want honourable senators to know that there is every possibility we will be called back before May 16.

Hon. Mr. Flynn: Do I take it that the motion was not designed to delay the debate suggested by Senator Beaubien?

Hon. Mr. McDonald: Not at all.

Hon. Mr. Flynn: Would the acting leader, or the deputy leader—I never know which; I have been praying that the Leader of the Government would clarify the situation one of these days—say whether it is sure that we are going to meet in any event on either May 16 or before?

Hon. Mr. McDonald: I think it is as sure as all other eventualities are sure at the moment.

Motion agreed to.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO MEET DURING ADJOURNMENTS OF THE SENATE

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(h):

> That the Standing Senate Committee on Foreign Affairs have power to sit during adjournments of the Senate.

It is my understanding that the Standing Senate Committee on Foreign Affairs will be meeting on May 11, when the Minister of Industry, Trade and Commerce will be the witness. Apparently that is the only early date on which he can appear. That committee will therefore meet on May 11.

Hon. Mr. Martin: As well as other committees.

Hon. Mr. McDonald: Yes.

Motion agreed to.

FISHERIES

BAN ON COMMERCIAL FISHING OF SALMON—ECONOMIC EFFECTS ON NEW BRUNSWICK—DEBATE ADJOURNED

Hon. G. Percival Burchill rose pursuant to notice:

> That he will call the attention of the Senate to the serious effects on the economy of New Brunswick and especially of Northern New Brunswick of the recently announced ban on the commercial fishing of salmon.

He said: Honourable senators, the announcement by the Minister of Fisheries that the situation regarding the diminishing run of Eastern Atlantic salmon has become so grave that it is necessary to ban the operation of the commercial fisheries in New Brunswick for a period of years came as a profound shock to the people in my area, the people who live along the Miramichi River. For generations salmon fishing has not only been a very important part of our economy, but also part of the warp and woof of the lives of the people connected with that industry.

The minister also announced that compensation will be paid to commercial fishermen whose earnings are affected by these river closures.

I used the word "generations", and it is interesting to note that in 1775 Benjamin Marsten reported to Edward Winslow, a high government official at Halifax who had sent him to inspect the northern part of New Brunswick. According to *The Winslow Papers*, a historical volume compiled by the late Rev. Dr. W. O. Raymond of Saint John, New Brunswick, Marsten reported to Winslow on the Miramichi River as follows:

> The salmon fishing on this River is an object worthy of the attention of the Government but unless it is attended to it will be ruined by the ignorance and avarice of those concerned in it.
>
> It has failed very much this season, no doubt through the impolitic methods used to catch the fish which is chiefly by set nets which are extended from each side so as to leave the fish very little room to run.

One of the reasons why the early pioneers settled on the Miramichi River was the opportunity it gave to fish for eastern salmon, and that fishing has been carried on through cycles of good years and cycles of poor years. It has always been an important element in the life of the community.

I recall when I first came to Ottawa being introduced to the then Deputy Minister of Fisheries who, when he found out where I came from, said, "Oh, you live on the greatest salmon river in the world." I thought that was a great compliment and I never forgot it.

But we have fallen on sad times. The salmon runs have been diminishing. The commercial fishery has been carried on by what are known as "drifters" and "set net fishermen." The drifters tow nets outside the mouth of the river, while the set nets are used by fishermen who own stands at locations along the river to the head of the tide, which is roughly a distance of 50 miles. The angling pools are on the upper reaches.

As I said, the catches over recent years have been diminishing. Many causes, both domestic and international, have been blamed for it. Pollution caused by spraying to control the spruce bud worm infestation, and by industry and the up-river communities, has been attacked, and good results have been obtained. Pollution in the river is under much better control than it has been for some time. These are local problems.

Fishing of eastern salmon by foreign nations on the high seas, since an American submarine discovered the feeding grounds, is beyond our control. The catch by Denmark alone last year was four times that of all our own mainland fishermen.

Honourable senators, it may be worth-while to trace the natural life cycle of eastern salmon. Spawning takes place on the gravelly beds at the heads of the branches of the river. The eggs develop there, and for the first two or three years the tiny fish are known as fry. Further on in their growth they are known as parr. Later, in the fourth year, they are known as smolt. After that they become grilse and salmon. At this stage they leave in the fall of the year to return the following year to the river where they were spawned. But now they do not return because both grilse and salmon are caught in the deep-sea fishing grounds off Greenland.

• (1430)

Figures obtained from the department indicate what is happening to the fish and where they are going. From the figures that have been given me it would appear that 44 per cent are taken off Greenland; 19 per cent off Newfoundland; 18 per cent by drifters; 5 per cent by set net fishermen; and 2 per cent by anglers. Only 9 per cent, according to the department's figures, escape for spawning.

The tragic result is that there are not enough salmon or grilse free for spawning to continue and maintain the annual catch. If this continues, of course, the species can become extinct, and that is the problem we are facing at the present time. Last year the drift net season was shortened by about one and a half weeks. The season opened on June 16 last year, whereas in former years the opening date was June 7. The tie-up season, when no fishing is allowed, was two and a half weeks in June, which is prime fishing time according to what the fishermen tell me, as against two weeks in July in former years. In this way the season for the drifters was curtailed.

Similarly, the anglers were restricted in 1971 to 20,736 days compared with 30,001 days in 1970. The fish landed by anglers dropped from 19,088 pounds in 1970 to 9,670 pounds in 1971. The commercial catch in 1971 was down to 175,000 pounds from 332,000 pounds the previous year. The value of the commercial industry, of course, showed a corresponding drop from $282,000 in 1970 to $151,000 in 1971.

The department was kind enough to furnish me with figures of landings and values in Northumberland County for a number of previous years. It is very interesting to look at the record of these years. I am referring now to commercial fishing.

Hon. Mr. Connolly: Senator, are the figures you are about to give in respect of Canadian fishing only?

Hon. Mr. Burchill: Yes. In fact, I am referring only to the Miramichi River. In 1952 there were 131,000 pounds of salmon landed with a total value of $117,000. In 1953 there were 215,000 pounds landed with a value of $83,000, which shows that the price of salmon that year was very much lower. In 1954 the landings increased to 485,000 pounds with a value of $200,000. In 1969, 15 years later, there were 353,000 pounds landed with a value of $234,000. In 1971, as I said before, the landings amounted to only 175,000 pounds with a value of $150,000, as against 332,000 pounds with a value of $281,000 in the previous year. I felt that those figures should be included in the record.

What I said about the Miramichi River applies to every salmon river in New Brunswick. Saint John harbour salmon and Restigouche salmon have gained a national reputation. To counter the situation with which we are faced today, angling has already been banned on the Saint John River. That is the situation as it stands at the present time.

Honourable senators, to bring you up to date, the minister himself is meeting with a representative group of the whole body of fishermen on the north shore this afternoon in Chatham, New Brunswick, to outline the policy which has been adopted by the government. This policy means the termination of the industry for a period of years. What are we going to do about it? As I say, the announcement by the minister that commercial fishing is to be banned has had a profound effect on the whole community. The people living there feel very sad and bitter about it.

My own view is that if this is a correct and sound policy in the present circumstances, then angling on that river should be restricted also. It does not seem fair or equitable to me that regulations should be made that deprive people of what has been part of their livelihood, even though they are to be financially compensated, while at the same time anglers are accorded the right to fish as usual. I suggest that all should be treated alike.

Furthermore, honourable senators, if we are at the mercy of the Danes, as would seem to be the case at the present time, I think the government's representations to Denmark on this matter should be supported by a unanimous resolution of the Parliament of Canada indicating that the people of Canada are 100 per cent behind the government.

Hon. Donald Smith: Honourable senators, I should like to make a few remarks on this important subject. In view of the fact that this chamber will not sit until the end of the adjournment of which notice has already been given, I feel that something more needs to be said at this time.

• (1440)

I wish to begin by indicating that the point made by Senator Burchill towards the end of his remarks, that some contribution towards this conservation plan should be made by the anglers, needs urgent attention. I can only speak for the anglers with whom I have fished for salmon for a good many years. Senator Burchill has fished for a good many more years than I have, and I am sure more successfully. I have fished on many different rivers in eastern Canada—and this includes only two provinces; I have not been able to fish on many of the streams which I am sure Senator Paterson has. However, all those with whom I have angled know the great thrill and sportsmanship of dry and wet fly fishing on our beautiful rivers, and I think they would be very positive in their approach to this matter and willing to make their contribution.

Senator Burchill speaks as a salmon fisherman. Perhaps I speak as a "has been" salmon fisherman when I say I wish I could have had the opportunities that people like Senator Burchill, Senator Paterson and Senator Molson have had. Their efforts toward the preservation of this magnificent species are appreciated.

We hear people talk about fishing for various kinds of fish all over the world. We catch the biggest fish in the world off the coasts of Nova Scotia and Newfoundland. There is a specimen of a tuna in the town hall in Liverpool, Nova Scotia, which is where I live, that weighs, if I remember correctly, 968 pounds. Fish weighing in excess of 1,000 pounds have been caught in the waters off Nova Scotia and Newfoundland.

I have talked to many fishermen who have had experience with all kinds of fish, and no one has ever disputed that the salmon is the king of them all. For anyone who does not have to fish for a living, there is no more magnificent aspect of sport than to be successful at salmon fishing. It is a wonderful sport. Even if you do not catch a fish, there is great anticipation. On a beautiful sunset evening you almost feel compelled to get down on your knees in the boat and thank God that such a privilege exists, and that we still have clean water and clean air.

It would be a very serious matter to ban sport fishing completely in such provinces as Newfoundland and Nova Scotia, although to a lesser extent in Nova Scotia. I say this because there is no way by which compensation can be worked out for the great number of people involved in

servicing salmon fishing camps as guides, in transportation, and in provisioning. If someone can suggest where $4 million to $5 million can be obtained to compensate these people for their loss of earnings, then I would say there should be a 100 per cent restriction for a few years on all of these rivers. I do not think this is feasible, but a compromise might be suggested to the minister responsible for fisheries. The compromise could take the form of cutting the bag limit from five to one salmon per day.

One salmon would make me very happy, as I am sure it would most people who go salmon fishing. Anyone who catches more than one or two salmon is a fish hog. Anyone who catches salmon in excess of his own needs in an isolated camp is worse than a fish hog. I have seen people cast salmon aside in the inland waters of Newfoundland merely because they had landed them, and there was not a living soul around to eat them. And in the summer salmon will not keep.

Let us consider the industry and the servicing of these fly fishermen. I do not know the value of the salmon caught inland. There used to be a business not too far from where I lived in Nova Scotia which owned small hotels and camps. During one season 10 or 15 years ago someone figured the price of salmon on the market in that area at 50 or 60 cents a pound, but every salmon caught on the Medway River was estimated to cost the sportsmen, who came from every part of the country and from south of the border, $25 a pound.

By the way, some famous public personages fish in the rivers of Nova Scotia, and they are great advertisers of our facilities, our country, and the kind of people who live here. I do not think we want to miss out on that.

I suggest that the compromise could be a reduction of the bag limit on all salmon fishing. I do not exclude from this proposal the ban on the many rivers in my province, Nova Scotia, and the Province of Newfoundland, the offshore waters, and harbours. Netting is still going to be permitted on the rivers, harbours and salt waters, and it will be permitted close to the shores of all of the salmon rivers in Nova Scotia. I feel that the least we can do in Nova Scotia is to have our bag limit reduced. I do not think that net fishing in Nova Scotia is a valuable industry. It does not employ very many men, and it is not an important source of revenue.

There has been a great change in the attitude of the people of Nova Scotia. I can recall the backing some of us received from the then Member of Parliament for Queens-Shelburne, and our former colleague, the late Senator John Kinley. We said it was a shame to see all those nets across the Medway River and up into the Mersey River. My first memory of salmon is those nets stretched across the river for about eight miles. Some people suggested that those nets should be removed in order to ensure the retention of this fish as a national resource. There was strong opposition to the position taken by Senator Kinley, but he took it because he felt he was right in agreeing with the proposal made by those who were regarded as conservationists. He agreed with the Department of Fisheries which was prepared to restrict this fishing. He took his share of lumps, but he made a great contribution to the salmon industry on the Medway River. The fishermen in the harbour and the lower reaches of the Medway River voluntarily agreed to remove their nets over the weekend, and to enlarge the mesh of their nets to permit the escape of the smaller fish. The grilse, which in our waters would be three or four-pound fish, could get up the river to spawn, and come back later accompanied by their progeny.

• (1450)

Contributions have been made from all angles. The people are logical and sensible. Do not let us underestimate them because they do not have a higher education. Some of my best instruction in zoology and botany—in matters pertaining to flowers and animals—has come from these so-called undereducated people who live in the backwoods by our salmon streams. I have a great regard for them and the feeling they have for the things of nature. I am not so sure that the great horde of salmon fishermen who descend on the rivers have had an opportunity to acquire the point of view I have over the years. I can only hope our schools will teach some of this.

I have no criticism at all of Senator Burchill's remarks, but I suggest that we provide compensation for those affected who were engaged in net fishing in New Brunswick and the offshore area in the vicinity of Port aux Basques. I do not think this point was made, and perhaps I should interpolate now that it has been established that the great bulk of the fish caught away off the shore of the Port aux Basques area is the Greenland stock we have been discussing, and which has been decimated by the Danes. It has been established that in general the stock of fish that has been netted in the Greenland area is the stock of fish that is heading for the mainland of New Brunswick, probably up the Saint John River where great reaches go back for several hundreds of miles, and up the beautiful Miramichi where the salmon were once so thick that you could walk across on their backs, as some of the fishermen told me when I went fishing with them.

I wish to make the point, though, that we have various stocks of fish, and it has never been established that any of the Greenland stock enter the rivers of Nova Scotia or Newfoundland. For that reason the ban does not extend to the rivers of those provinces.

I have something else to say with respect to the Danes. I do not think Senator Burchill meant to be hard on the Danes, because I believe they are having a difficult time to do what is right. In my view, this will have an effect on the conscience of those who attend the meeting of the International Commission for the Northwest Atlantic Fisheries which, I understand, is to be held at the end of May. I think they will learn the extent to which we, with the support of our people, are willing to go in order to preserve this resource. They will have second thoughts, and rather than Denmark being the only country which is a signatory of the convention which established the International Commission for the Northwest Atlantic Fisheries to oppose the proposal to ban the offshore netting in Greenland, this time they will have a change of heart and support this measure. The fact that Canada is going as far as she is, will have a really serious effect on those intelligent and fine people, as some of us who have had contact with the Danes over the years believe them to be.

Honourable senators, we should be grateful to Senator Burchill for bringing this to our attention. I only wish now

that he had given notice of a motion endorsing a resolution similar to that passed in the other place, which might have strengthened the hand of Mr. Davis, the Minister of the Environment and the minister responsible for fisheries, when he goes to Washington with his officials a month or so from now. Perhaps it is not too late, and we may still have a chance of adopting such a motion before the meeting is held. If so, I would be glad to give it my support.

On motion of Hon. Mr. Molson, debate adjourned.

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, March 29, the adjourned debate on the inquiry of Hon. Mr. Croll, calling the attention of the Senate to the Report of the Special Committee of the Senate on Poverty in Canada, tabled in the Senate on Wednesday, November 10, 1971.

Hon. Guy Williams: Honourable senators, to start with, I wish to impress on you and to convince you that there is no poverty like Indian poverty in Canada today. Let me quote from Proceedings No. 16 of the Special Joint Committee of the Senate and House of Commons on the revision of the Indian Act of 1886, which was finally revised in 1952. This is evidence the committee heard in its examination and consideration of the Indian Act, and it was given on May 2, 1947:

> In those three years, gentlemen, I have seen some conditions that are difficult for some people to believe—conditions that they cannot believe actually exist in this big country. I have seen poverty in its worst form amongst our people.

Honourable senators, I made that statement 25 years ago almost to the day. A quarter of a century has gone by, and I did not dream at that time that I would be quoting myself or repeating myself in this upper chamber of the Parliament of Canada. Today I believe the situation, the state of poverty, is no better. In fact, it is worse today than it was at that time. Poverty, like isolation, comes in many forms, and I think one of the many reasons for Indian and Métis poverty is the fast pace of today, compared with the leisurely horse and buggy days—and they were not too long ago. We now have the jet age, exploration of the moon and space, and new scientific discoveries almost every day among the civilized nations. Rapid communications and transportation facilities make possible travel to any part of the world in a matter of hours instead of days or months.

• (1500)

The Indians of Canada were not involved with, nor did they participate in the advancement of, the strange society of people who came and took over the country. In fact, they were isolated in their own domain, their own country. How could they participate? Their way of life was so different. They were several centuries behind the organized and civilized newcomers.

At a later date, reservations were set aside for the Indians. Confederation came, and certain powers were given to the provinces. The isolation of the Indians was then nearly complete, but they were not really aware that their way of life was slowly but surely being taken away.

[Hon. Mr. Smith.]

Their way of life had been simple. They were guided by the four seasons of the year in pursuit of their needs, particularly the winter season.

The land was self-sufficient. There was no want. What is known as Canada today was truly a land of abundance. The buffalo roamed the plains in their thousands. The Europeans came and purposely killed them to near extinction, causing the Indians to starve. That noble animal, the buffalo, was the mainstay of the plains Indians. The hides sheltered and clothed them, and the meat was their main diet.

The rivers, lakes and forests were full of fish and game. The coastal waters of British Columbia abounded with thousands of the giant mammals, the whales, which are no longer hunted by the Makahs and Nootkas, the Indians on the west coast of Vancouver Island. The whales are so few in number today that the whaling industry no longer operates. Along the coastal waters of British Columbia, Washington, Oregon and California the sea otter with its luxurious fur became extinct, and only a few hundred remain in the Aleutian chain of Alaska.

What I have said so far are all negative points, but they are contributing factors to the roads, trails and by-ways which, without alternatives, have led the Indian to his present high state of poverty.

Dr. Diamond Jenness, an anthropologist brought from the United States to give evidence before the Joint Committee of the Senate and House of Commons on the revision of the Indian Act, said in his evidence in 1947 that the Indian was not a normal person, that he was sick and suffering from malnutrition. I think he was right.

The Indian people are loyal to Canada, despite discrimination and poverty, and they desire to live as other Canadians. Freedom from want and freedom from fear are two of the four freedoms. The Bill of Rights must be instrumental in enabling the Indian to regain his lost confidence, in order to prepare himself for the day of equality in our society, and to take his rightful place in the Canadian way of life.

The land of abundance became a land of foreign laws and regulations introduced by the federal government. At a later date the provincial governments introduced restrictive measures, including hunting and fishing laws. The actions of the two levels of government completed the trails that led to a Total State of Poverty—in capital letters—for the Indian people.

The Government of Canada must take a new look at the situation as it affects 250,000 Indians and possibly 300,000 or 400,000 Métis, and, if seeing is believing, it should cut down on moneys going for aid to other nations.

In 55-54 BC the Romans invaded Britain. They took over the country, and for 400 years did much for it. They built good roads, some of which are still in use today, although rebuilt to accommodate the mobility requirements of the times. The Romans then left Britain and the good roads. At this time I should like to remind honourable senators that, like the Romans, they and their people have been here for better than 400 years. Please do as the Romans did: leave the good roads behind.

Welfare and education costs are very high in British Columbia. I think this has some bearing on the reason

why there is so much poverty among Indian people. For instance, the per capita cost of Indian infant welfare and other welfare which is paid out of federal funds, in contrast with that for the Province of British Columbia, is $11.82 per day. My information is that over 25 per cent of welfare recipients in British Columbia are from among our Indian people, and better than 50 per cent of the total amount of money goes in administration costs. Elementary and secondary education is provided under contract with the province in integrated schools. More than 50 per cent of the Indian population of British Columbia is of school age. The cost goes as high as $2,700 per student, which is paid by the federal government to the province.

• (1510)

All home owners in British Columbia qualify for the provincial home owners' grant of $185, which is deducted from their land taxes. In undeveloped areas or locations the land tax may not amount to $185, so the owner pays a token tax of $1. Non-Indian property may be adjacent to an Indian Reserve, and for the sum of $1 the non-Indian children can go to the same integrated school that adjacent reserve children go to at a cost to the federal government of $2,700. An Indian child could be sent to a private school for that amount. It does not make any real sense to me, but I am not suggesting that the Indian children should go to school for a buck.

Indian Reserves in Canada are rich in resources. Development of those resources will, in the majority of cases, bring the Indian people out of poverty. Real estate development under leases and rentals will bring in considerable revenue to offset the poverty that exists, and will, in due course, make the Indian people of British Columbia self-sufficient.

The government must give more consideration to getting the Indian population out of its present state of poverty. The available resources on the reserves—and in British Columbia there are over 1600 reserves—can be utilized to bring in revenue. With this type of program we believe the Indian population can become self-sufficient, and we can wipe out poverty and the large amounts of welfare payments.

Honourable senators, I think the Indian has been portrayed for too long in a way that does not bring about a true sense of his responsibility to himself. It is high time that the Government of Canada gave a realistic portrayal of the true Indian, his character and culture, which Canada is so proud of today.

I want to relate an experience I had in Japan during Expo '70 when I attended the celebration of Canada Day in the amphitheatre where there were nearly 50,000 people. At that time I was only a few feet away from our Prime Minister, the Right Honourable Pierre Elliott Trudeau. I felt very proud to be a Canadian then. When you see nearly 50,000 people waving the Canadian flag it does things to you. In another city we had time to attend a theatre, and there was a preview shown which portrayed an Indian—in fact, he was from Alberta and I recognized him—sitting on a noble horse in full regalia, and that also did things to me.

These are points that I want to present to honourable senators. This government, in the near future, should review and give careful consideration to the state of the Indian people. There is no poverty like Indian poverty.

Honourable senators, again I have spoken.

On motion of Hon. Mr. McDonald, debate adjourned.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

STANDING JOINT COMMITTEE AUTHORIZED TO MEET DURING SITTINGS AND ADJOURNMENTS OF THE SENATE

Leave having been given to revert to Notices of Motions:

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1), moved:

> That the Standing Joint Committee on Regulations and other Statutory Instruments have power to sit during sittings and adjournments of the Senate; and
>
> That a message be sent to the House of Commons to acquaint that house accordingly.

Motion agreed to.

The Senate adjourned until Tuesday, May 16, at 8 p.m.

25312—22½

THE SENATE

Monday, May 15, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

NEW SENATORS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received certificates from the Registrar General of Canada showing that the following persons, respectively, have been summoned to the Senate:

Hon. George James McIlraith, P.C.

Mrs. Margaret Norrie

Henry D. Hicks, Esquire

Bernard Alasdair Graham, Esquire

NEW SENATORS INTRODUCED

The Hon. the Speaker having informed the Senate that there were senators without, waiting to be introduced:

The following honourable senators were introduced; presented Her Majesty's writs of summons, which were read by the Clerk; took the legally prescribed oath, which was administered by the Clerk, and were seated:

Hon. George James McIlraith, P.C., of Ottawa, Ontario, introduced between Hon. Mr. Martin and Hon. Mr. Connolly (Ottawa West).

Hon. Margaret Norrie, of Truro, Nova Scotia, introduced between Hon. Mr. Martin and Hon. Mr. Smith.

Hon. Henry D. Hicks, of Halifax, Nova Scotia, introduced between Hon. Mr. Martin and Hon. Mr. Isnor.

Hon. Bernard Alasdair Graham, of Sydney, Nova Scotia, introduced between Hon. Mr. Martin and Hon. Mr. Isnor.

The Hon. the Speaker informed the Senate that each of the honourable senators named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

PARLIAMENT HILL BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that they have agreed to the amendments made by the Senate to Bill C-78, respecting the use of the expression, "Parliament Hill", without amendment.

Hon. Senators: Hear, hear.

Hon. Jacques Flynn: Honourable senators, I rise on a point of order. I am wondering whether this report is now debatable. If it is, perhaps the new member of this chamber from Ottawa, the honourable Senator McIlraith, might have something to say. It would create a precedent, his having already spoken in the other place on this bill. I am just putting the question to you, Mr. Speaker.

The Hon. the Speaker: In answer to the point of order raised by the Leader of the Opposition, I must say that there is no point of order justified in this circumstance. Of course, this does not prevent the honourable Senator McIlraith from saying a few words if he so wishes. I am sure that all honourable senators would agree to this, but it is up to the honourable Senator McIlraith.

Hon. Paul Martin: Honourable senators, I should like to join with the Leader of the Opposition. After all, the Senate is master of its own rules and if the Senate feels it wishes to hear Senator McIlraith then that is all that is required.

In joining with the Leader of the Opposition I point out that this bill came to us from the other place bearing Senator McIlraith's sponsorship. It is significant that the bill was amended by this chamber, sent back to the other place and accepted by that body. Senator McIlraith is living testimony of the wisdom of an Upper House.

Hon. George J. McIlraith: Honourable senators, I should first like to thank the Leader of the Opposition and the Leader of the Government in the Senate, and all honourable senators, for the rather unusual courtesy extended to me here tonight. It is, I believe, a very unusual one, and it is also rather surprising to me.

Hon. Mr. Walker: Enjoy it while you may.

Hon. Mr. McIlraith: I shall not speak about the bill because I think its purpose is self-evident, but I should like to thank honourable senators for the improvements, otherwise called amendments, made to the bill in this place before it procured final passage. I believe I should add nothing more on the subject tonight. I thank you.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of financial statement on the operation and maintenance of the Great Slave Lake Railway for the year ended December 31, 1971, together with a statement showing the net capital investment as at December 31, 1971, pursuant to section 9, chapter 56, Statutes of Canada, 1960-61.

Copies of a letter, dated April 21, 1972, addressed by the Prime Minister of Canada to certain Premiers of the Provinces, respecting manpower programs.

Report on the administration of the Employment Support Act for the annual quarter ended March 31, 1972, pursuant to section 21 of the said Act, chapter 56, Statutes of Canada, 1970-72.

Copies of documents entitled "Foreign Direct Investment in Canada" and "An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons",

together with a statement by the Minister of National Revenue respecting the government's decision to review foreign takeovers of Canadian businesses.

Report of the Export Development Corporation, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Roosevelt Campobello International Park Commission, together with its financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to section 7 of the Roosevelt Campobello International Park Commission Act, chapter 19, Statutes of Canada, 1964-65.

Copies of Report entitled "Status of Women in Canada—1972", dated April 1972.

Copies of a contract between the Government of Canada and the New Town of Fox Creek, Alberta, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Budget Paper presented by the Minister of Finance for the information of Parliament in connection with the Budget for 1972-73, entitled "Review of Government Accounts 1971-72".

Copies of text of Note presented to the Government of the French Republic on May 9th, 1972, registering Canada's opposition to the proposed series of French atmospheric nuclear tests in the South Pacific.

Report of the Canadian National Railways for the year ended December 31, 1971, pursuant to section 39(1) of the Canadian National Railways Act, chapter C-10, R.S.C., 1970.

Report of the Canadian National Railways Securities Trust for the year ended December 31, 1971, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.S.C., 1952.

Report to Parliament of the Auditors on the accounts of the Canadian National Railway System for the year ended December 31, 1971, pursuant to section 38(1) of the Canadian National Railways Act, chapter C-10, R.S.C., 1970.

Copies of Order in Council P.C. 1972-756, dated April 25, 1972, amending Part II of the Schedule to the Hazardous Products Act, pursuant to section 8(3) of the said Act, chapter H-3, R.S.C., 1970.

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1970, pursuant to section 13 of the Department of National Health and Welfare Act, chapter N-9, R.S.C., 1970.

Report of the Superintendent of Insurance on the administration of the Pension Benefits Standards Act for the fiscal year ended March 31, 1972, pursuant to section 22 of the said Act, chapter P-8, R.S.C., 1970.

• (2010)

INCOME TAX ACT

DIVIDEND TAX CREDIT—DEBATE ADJOURNED

Hon. Louis P. Beaubien rose pursuant to notice:

That he will call the attention of the Senate to the dividend tax credit provided for by section 121 of an Act to amend the Income Tax Act and to make certain provisions and alterations in the Statute law related to or consequential upon the amendments to that Act, Chapter 63, Statutes of Canada, 1970-72.

He said: Honourable senators, I am honoured to be the first on this side of the Senate to say how pleased I am at the presence of the charming lady and the three distinguished gentlemen who have just been appointed to the Senate. I extend to them my very sincere congratulations.

Hon. Senators: Hear, hear.

Hon. Mr. Beaubien: Honourable senators, I wish to say a few words about the dividend tax credit. The dividend tax credit was introduced in 1952. At the beginning of the war, the corporation tax was 15 per cent, and in 1952 it was 50 per cent. It seemed terribly unfair that the shareholders who owned the company should have to pay the full tax on the dividends they received after the company had already paid a tax of 50 per cent of its profits. Therefore, the dividend tax credit was brought into being.

Up to the end of 1971, the dividend tax credit was quite simple. You calculated the tax payable on your income and from the tax you otherwise would have to pay you deducted 20 per cent of your Canadian dividends. That worked out pretty well. However, it did seem somewhat unfair that a man who earned $12,000 a year would pay a tax of $200 a month while a man receiving $12,000 a year in Canadian dividends would pay a tax of $400 a year. That is roughly the figure. With that in mind, the Minister of Finance introduced a new dividend tax credit system. In doing so he brought out this raspberry-coloured book which on page 36 explains the new system.

The example on this page shows a taxpayer receiving $300 in dividends. To this he must add one third of this amount; in other words, $100. This process is known as grossing up. The example goes on to show how the taxpayer calculates the tax he owes on the $400, and then deducts the $100 from the tax payable.

When the minister appeared before the Standing Senate Committee on Banking, Trade and Commerce, we pointed out that section 121 of Bill C-259 says that you can deduct only four-fifths of the amount you added in the grossing up process. The minister explained it in this way, and his explanation is given in this little book brought out by the Department of National Revenue (Taxation), entitled "Tax Reform and You—Highlights for Individuals."

On page 11, the booklet tries to explain why you deduct only four-fifths of the amount of the grossing up instead of the $100 as previously announced. You are told that the remaining one-fifth is in effect being allowed as a reduction in provincial taxes. I do not understand or agree with that at all. Actually, the provinces do not give you any reduction. Take Ontario and British Columbia, where the taxes are the lowest. You calculate your federal tax and

add roughly 30 per cent. You get no reduction due to the dividend tax credit. In the different provinces the amount you add on varies. I have the new tax form here. It goes up to 42½ per cent in Manitoba.

The Minister of Finance, in his examples here—and I am still on page 36 of the "raspberry" book—

Hon. Mr. Walker: That is what you are giving him.

Hon. Mr. Flynn: Which minister are you referring to, Mr. Turner or Mr. Benson?

Hon. Mr. Beaubien: I am referring to last summer. He says that if you are in the 25 per cent bracket, then you would be better off under the new system. His actual words are "Marginal Rate of the Taxpayer." To my mind, a man with an income of $13,000 in 1971 would have been in the 25 per cent marginal rate. He could deduct $1,000 personal exemption together with $100 for medical and charitable expenses. The taxable income would then be $11,900, and according to the scale in 1971 the tax on that would be $2,835. However, if you add on the old age security, the social development tax and the surtax, taking into account the abatement of 3 per cent, you end up with a total of $3,245 of ordinary tax. Twenty-five per cent of $13,000 would be $3,250. I am, therefore, just about hitting the nail on the head.

Now, if an individual had dividends in 1971 consisting of $13,000 and nothing else, and was taxed as a single taxpayer, his total tax in Ontario would have been $645. Under the new system he pays a tax of $698. That is not a large increase but, mind you, we were told that if you were in the 25 per cent tax bracket your taxes would be reduced. If you go to the 40 per cent tax bracket you are supposed to be even.

• (2020)

I have in my hand a document prepared by the Thorne, Gunn organization in which there is given as an example the case of an individual with an income of $21,000 in Canadian dividends, with no other income, and taxed as a single taxpayer. The total tax paid in 1971 was $2,235 but for 1972 his tax bill will be $2,829, which is an increase of approximately 26 per cent. If one happens to reside in Quebec—and I shall deal in more detail with the situation a little later—the increase is enormous.

I should say, honourable senators, that there are many things in the new tax bill that make sense. As you know the top income tax rate is reduced from 84 per cent to 61 per cent so that people in the higher income brackets are going to fare much better than heretofore. But there is a tremendous increase in what I consider as being the medium income bracket. I have here an account that I have been looking after on which the tax in 1971 was just over $4,000, but this year it amounts to $5,400, which is an increase of $1,400 or 32 per cent. I should point out that this person is a resident of Quebec.

It is my view that we are going to see certain changes on the part of the investing public. As you know, Canadian corporations, where you have what I might call a mixed bag, yield about 4 per cent. It must also be kept in mind that from now on there is no provision for depletion allowances. If you look at our better corporations you will find that many of them were directly or indirectly engaged in the extraction industries, and their shareholders were allowed to reduce their tax liabilities through a depletion allowance—CPR, International Nickel, Noranda, Steel Company of Canada, Dofasco, Imperial Oil, to mention just a few.

To many people the abolition of the depletion allowance will make quite a difference.

Now let us look at the situation of a taxpayer receiving dividends of $40,000. Having provided for the various exemptions available, the tax in 1971 was $7,907—and here I am speaking of a resident of Ontario; the situation of a Quebec resident is even worse—and in 1972 the tax amounts to $9,642. However, as you get into the higher income brackets the amount paid in tax is reduced. If you are sufficiently fortunate to have an income of $400,000 a year, your tax payable would be less than it was last year.

Hon. Mr. Walker: Do you have to go that high to obtain a reduction?

Hon. Mr. Beaubien: No, but you have to go pretty high.

Honourable senators, in 1960 the budget for the Province of Quebec was $600 million. The budget for 1972-73 amounts to $4.6 billion. The amount which was spent on education in 1960 was $100 million, and for the current year it is $1.2 billion. When you look at these tremendous increases you can see why the province is terribly strapped for income, and perhaps you can understand why the rates are higher. However, I think it is a terrible mistake to set rates that are in some cases 20 per cent higher than in the Province of Ontario.

There is one thing that sticks in my crop. In the Province of Quebec you have to make out an income tax return for the federal government, and then you must do exactly the same for the province. You need duplicates of all the documents and T-forms. All this has to be checked by the provincial staff, even though the federal government is prepared to do the work for nothing.

Hon. Mr. Choquette: Would that explain the present turmoil?

Hon. Mr. Beaubien: I do not know how to explain that. My point is that there is a large staff checking everything, and then another staff does the same thing over again. It is a terrible waste of energy and money, and it makes absolutely no sense at all.

On motion of Hon. Mr. Langlois, debate adjourned.

FISHERIES

BAN ON COMMERCIAL FISHING OF SALMON—ECONOMIC EFFECTS ON NEW BRUNSWICK—DEBATE CONTINUED

The Senate resumed from Thursday, April 27, the adjourned debate on the inquiry of Hon. Mr. Burchill, calling the attention of the Senate to the serious effects on the economy of New Brunswick and especially of Northern New Brunswick of the recently announced ban on the commercial fishing of salmon.

Hon. Hartland de M. Molson: Honourable senators, before speaking on this subject I should like to add my word of welcome to the four new members of this chamber who have joined us this evening. We are very happy, and indeed fortunate, that another lady has been called to

our ranks as well as the three distinguished gentlemen who, I am sure, will add greatly to our deliberations.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: Of course, this strengthens the Liberal membership.

Hon. Mr. Molson: Honourable senators, there are not, unfortunately, many members of the chamber who remember Senator Reid of New Westminster, who occupied this seat some years ago.

Tom Reid was easily identified as a braw Scot when he spoke. He was a loyal British Columbian who devoted a great deal of his time to the survival of the Pacific salmon. He became the chairman of the International Pacific Salmon Fisheries Commission, and once a year he gave us a most interesting speech on the progress of that long and difficult struggle in the course of which, by international agreement and good will, the Pacific salmon was saved from extinction. Today it remains one of the great fish crops for the benefit of mankind.

• (2030)

A distant cousin of the Atlantic salmon, the Pacific salmon is now thriving as a result of the negotiated realistic quota system implemented through the co-operation of the United States, Canada, Japan, and Russia.

Now it is the turn of the Atlantic salmon. I would say, first, that it is encouraging that the Government of Canada has finally become sufficiently concerned to take drastic action in an effort to prevent the extinction of this species. The action announced by the Minister of Fisheries is the subject of Senator Burchill's inquiry. The question is really whether or not this action has come too late, and whether it is the best possible action in the circumstances.

Before getting too deeply into the question of its survival, we should understand the fish causing the problem. The Atlantic salmon, properly known as *Salmo salar*, from the Latin *salire* meaning "to jump," is one of the few species of anadromous fish, namely, those which must ascend the rivers or streams to breed in fresh water before returning to spend much of their adult life in the ocean. While this is an unusual performance, it is really insignificant in comparison with the almost incredible way in which the salmon arrives back at its own river under the natural urge to spawn.

Returning from the ocean, nature has given *Salmo salar* an astonishing navigational system which brings him back to the coastline of his youth, where a little understood sense of smell enables him to detect water emerging from the river of his birth, so that he returns to that river and no other. Of course, once in a while a mistake is made and the salmon goes into the wrong river, but it is very rare indeed.

In the process of propagation, the female beats out a hollow in a clean gravel river bottom and after laying her eggs, which are then fertilized by the male, she covers them up with the gravel, which must be clean and relatively porous so that the eggs are kept fresh by a current of water until they hatch out as alevins.

From this stage the young fish grow to be fry, and then to be parr, spending two or three years in the river in this process. A parr is about four inches long, and when it grows beyond this stage it becomes a smolt. A smolt is not only bigger, about eight inches long, but its whole chemistry has undergone a startling change, which makes it turn downstream instead of upstream, and thus takes it down the river to the sea.

It spends a short time in the brackish water at the river mouth, becoming accustomed to its new salt environment, and then goes off to sea to its formerly unknown feeding grounds.

If it returns after one year at sea it is known as a grilse, and usually weighs from two and a half to five pounds. If, on the other hand, it spends two years or more at sea it comes back as a real salmon, which is not only larger but has changed in appearance so that it now has a square tail instead of the forked tail of a grilse. It would then weigh anywhere from six pounds up, depending on how long it had been at sea.

After spawning, the salmon will again leave the river for the sea and return to spawn again if it survives, although the number which succeed in repeating the journey is very limited. I believe that occasionally salmon have been recorded spawning as many as five times, and reaching an age of eight or nine years.

Honourable senators, I have expanded a little on the life of the Atlantic salmon because, unless we appreciate how difficult it is for this magnificent fish to survive the normal perils of nature, it is hard to understand why it is necessary to go to so much trouble to protect the species.

The greatest threat to salmon survival at the moment is unquestionably the Greenland and Davis Strait fisheries. This attack on salmon began in 1964, after the discovery of the mysterious feeding grounds of the salmon in the ocean by United States nuclear submarines in transit under the polar ice cap.

The statistics are quite startling. In considering the pounds of fish taken in these fisheries it must be remembered that they are caught before they have reached full maturity, and therefore the number of fish for the weight is proportionately higher. The adult fish, taken in this way at sea, averages probably seven pounds, against, perhaps, 10 to 12 pounds if allowed to return to his river.

The effect of this increasing northern fishery has been disastrous on our large salmon. Let me give honourable senators some figures illustrating the effect on the Canadian driftnet catch. In 1967, Canadian driftnets took 1,186,000 pounds. In 1970 this figure had decreased to 457,000 pounds. In 1971 the catch was almost insignificant, being 186,000 pounds. During those same years, the total taken by Greenlanders, Danes, and Faroese had risen to 5,852,000 pounds in 1971, from 4,740,000 in 1970 and 3,530,000 pounds in 1967. In other words, in five years the Canadian driftnet catch had decreased by 84 per cent, while the total northern fishery had increased by some 65 per cent. It is my understanding that it was agreed that the total northern take would not exceed the 1969 record level of 4,880,000 pounds. However, as I have said, the 1971 catch was 5,852,000 pounds.

The argument that the Danes are not responsible for the decreasing breeding stock in our Atlantic rivers simply does not hold water. As I have emphasized, the take last

year in the Greenland and Davis Straits fisheries had risen to 5.8 million pounds of immature fish, while the total Canadian take including that of the driftnets, which used to be greater, had declined substantially. In total, our commercial fishermen last year took only 3.9 million pounds, whereas in 1970 the figure was 4.8 million pounds and, in 1967, 6.1 million pounds, being a decrease over the five years of 36 per cent.

The anglers, about whom I shall have more to say, succeeded in taking 12,600 salmon and 47,000 grilse last year, down from 21,400 salmon and 63,500 grilse in 1970, and the much greater number of 37,500 salmon and 68,250 grilse in 1967. This is a decrease in five years of 66 per cent for salmon, and 31 per cent for grilse.

• (2040)

Dr. F. R. Hayes of Dalhousie University has stated that "no one knows what percentage of salmon spawned in Canada migrate to Greenland or how many of the salmon reaching Greenland ever return," but I am informed that Dr. Hayes is now out of touch with recent developments, having been away from the Fisheries Research Board for some time. Tagging of fish has proved that about 50 per cent of the off-shore catch originates in Canadian rivers. Scientists who are now associated with salmon studies, either with the Fisheries Research Board or in other capacities, have the benefit of much later research.

Unfortunately, because there is a natural loss there is not equally convincing proof that these fish would all return to our rivers if allowed to escape, but there is enough indication to give rise to an assumption that a reasonable percentage of the 5.8 million pounds would have succeeded in finding its way back to Canadian waters. I make one other point. The 5.8 million pounds represent, perhaps, 800,000 salmon. These fish were not bred in the rivers of Denmark or Germany, and very few were bred in the rivers of Greenland.

I quote from the International Atlantic Salmon Foundation Quarterly Newsletter, May 1971:

> Recapture of tagged smolts in the Greenland fishery during 1970 has confirmed that the major part of the West Greenland salmon stock has been derived from rivers in Canada and the United Kingdom.

There is simply no justification for the defence that the Danes are not taking large quantities of Canadian bred fish, and that consequently they are not having an adverse effect on the fishery.

Denmark has already agreed with the United States to phase out the deep sea fishery by 1976. This is probably too late, and Canada has refused to enter into any agreement of this kind as it believes that deep sea fishery should be terminated immediately. Hopefully the Danes will respond to Canada's representations by adopting a less rigid stand at the forthcoming meeting of the International Commission of the Northwest Atlantic Fishery, ICNAF, in Washington at the end of this month.

Several suggestions have been made both in and out of the House of Commons in recent days to boycott Danish imports. I see from the Saint John *Telegraph-Journal* of May 5 that the five main fishermen's associations of New Brunswick have gone on record as supporting a boycott on all goods imported from Denmark and that a resolution to that effect passed unanimously. I should also like to direct the attention of the house to a recent United States act—Public Law 92-219, 92nd Congress, H.R. 3304, December 23, 1971—the effect of which is to "prohibit the bringing or importation into the United States of fish products . . . from a country . . . directly or indirectly conducting fishing operations in a manner or under circumstances which diminish the effectiveness of an international fishery conservation program." Consideration could be given to promulgating such retaliatory legislation here if the Danes cannot be persuaded to alter their attitude vis-à-vis the deep sea fishery, but personally I believe that it would not achieve the purpose.

As to the suggested boycott on Danish goods, I would remind honourable senators that Denmark has sent us many splendid new Canadians, and amongst them a winner of the Victoria Cross. Thomas Dinesen came from Denmark to serve in the Black Watch of Canada, and on August 12, 1918 was awarded our highest decoration for outstanding gallantry in the Battle of Amiens. Historically Canadians and Danes have been good friends, and friends should be able to settle differences by discussion. My inclination would be to support Senator Burchill's suggestion that we back up our representatives at the ICNAF meetings at the end of May by unanimous resolutions of both houses.

There is certainly much cause for criticism of the way in which the development of industrialization and the infrastructure have polluted our rivers. However, recent years have finally brought an awareness of the dangers and problems, and our rivers have come back even after DDT spraying. Some lakes, rivers, and streams have become polluted to the extent that the Atlantic salmon can no longer find the proper environment in which to spawn, but both provincial and federal governments have taken drastic steps in implementing serious pollution abatement programs relating directly to salmon at a cost of millions of dollars.

Furthermore, Canada spends large sums of money on salmon research as well as on breeding for stocking purposes. These amount to at least $6 million annually. Unfortunately, it is estimated that over 40 per cent of the benefits of these programs accrue to the Danes, who only have to wait to reap a rich harvest in international waters.

It might be pointed out that all over the world restrictions on both commercial fishing and angling for salmon have been increasing in little steps year by year. Some countries which have historically followed this pattern have now few or no salmon left. Canada has been doing the same but the yearly take has been declining, and it is now time to take more sweeping measures.

The Province of Quebec has already taken certain steps to reduce its take. Regulations relating to net restrictions and reduction of catch limits were promulgated early this winter, and briefly are as follows:

> (A) In areas of sites where it is necessary to facilitate reproduction of the species or to promote sport fishing under Department control, commercial fishing will be abolished or commercial fishing licenses will only be renewed for bona fide fishermen, that is, those who are not regularly employed in an industry other than the fishing industry, who draw a sizable portion

of their income from commercial fishing and who live in that area.

(B) The issuance of commercial fishing licenses will be restricted as follows:

1. No new license will be issued;

2. No licenses can be transferred, except from father to son, providing that the latter is able to fish himself and can be considered a bona fide fisherman, or to the widow of a license holder, providing that she resides in the place where the license is used;

3. Fishing nets will be limited to the number and size authorized in 1971.

4. No salmon fishing net can be moved towards a salmon estuary.

5. People whose licenses are not renewed because of this new policy will be able to receive compensation for their salmon fishing equipment.

(C) The number of catches will be reduced in more heavily fished areas and where the drop in salmon has been more marked:

1. As far as sport fishing is concerned, the daily catch will be reduced by one salmon in all rivers where the limit was more than two salmon. This will apply to the Gaspé area and in the area west of the Rivière au Bouleau on the north shore of the St. Lawrence.

2. The opening of the commercial fishing season will be postponed from May 15, as it was previously, to June 1 throughout the province.

3. The commercial fishing will close on July 31, rather than on August 15, in the Gaspé area and in the area west of Rivière au Bouleau on the north shore of the St. Lawrence.

4. Salmon trap weekly closing time will be extended by 12 hours. The traps will now be closed between 8 a.m. Saturday and 8 a.m. Monday.

It should be noted that these new restrictions imposed by the Quebec government were enacted upon a recommendation of the Quebec Atlantic Salmon Council some months ago. Such a policy should prove reasonably effective for Quebec because there is no driftnet fishery associated with these rivers. Should Quebec adopt an identical strategy to that of the federal government with respect to a ban on commercial fishing, which does not seem impossible at this time, proper care must be taken to compensate the fishermen in an adequate manner.

• (2050)

The question should now be asked whether it is necessary to bear down so heavily on the commercial fishermen for the purpose outlined. Senator Burchill presented the case of several hundreds of great people who, like their fathers and their grandfathers before them, made a living from the commercial catch of Atlantic salmon. The minister has said that the fishermen affected will be compensated. If a complete ban on commercial fishing is necessary for the survival of the species, there is no doubt that those whose livelihood is affected should be compensated, and compensated fully. No one could quarrel with this proposal. In looking at the figures for 1971, I see that the commercial fishermen of New Brunswick harvested only 272,000 pounds. If these figures were to be repeated this year there is no doubt help would be required. Fair compensation might be the answer.

Senator Burchill said on April 27 last that if commercial fishermen are deprived of the right to fish, then anglers should be treated in the same way. This seems to be only fair. We should take a close look at what is best. We must ask ourselves whether depriving people of the opportunity to catch salmon on rod and reel would benefit the community and help to preserve the species for the future, or whether a ban on angling would cause hardship to a lot more people who can least afford it. Would it work to improve the chances of survival of *Salmo salar* as a species, or would it accelerate its destruction? Here are some hard facts. Anglers are the biggest source of funds for the population associated with the salmon fishery, and this by a very considerable amount. Surveys were carried out in 1967 which show quite clearly how important this source of revenue is for people in Quebec, New Brunswick, Newfoundland and, to a lesser extent, Nova Scotia. This same situation is recognized in Scotland, Ireland, and most other countries where the salmon provides a crop.

Broadly speaking, salmon caught by the angler in Canada brings in an average value of about $70, whereas a fish caught commercially has a value of no greater than $4. However, the rod catch now represents only some 2 per cent of the total salmon crop, or 5½ per cent of the total Canadian catch. Five years ago, when the surveys I mentioned were taken, angling accounted for about 15 per cent of the Canadian catch, and the value of the commercial catch was $2,693,896 for 738,100 salmon, while angling took only 138,104 salmon but contributed a value of $8,862,000. With your leave, honourable senators, I would like to place on the record a breakdown of these figures by provinces.

Hon. Senators: Agreed.

Hon. Mr. Molson: Thank you. The figures are:

ECONOMIC VALUE OF THE 1966 ATLANTIC SALMON CATCH

	Angling		Commercial Fishery	
Provinces	Salmon	Value	Pounds	Value
		$		$
Quebec	15,728	3,365,000	587,800	390,093
New Brunswick	84,280	3,754,000	1,249,000	738,000
Newfoundland	34,511	1,435,000	3,047,000	1,373,776
Nova Scotia	3,585	308,000	324,000	192,000
	138,104 fish	8,862,000	5,207,800 (738,100 fish)	2,693,869

Perhaps I may give a concrete example. In doing so I would like to use as illustration a river with which I have

been familiar for over 35 years. This river is in Gaspé, emptying into the Baie des Chaleurs, and it has historically been considered a good salmon river. The fruits of netting near the river mouth are not of great importance to the community, but angling there is of the greatest importance. This has been amply demonstrated by representations made on behalf of local families to the Quebec Government that it do all that is possible to improve the angling.

I would estimate that some 60 families receive an important part of their annual cash income from the angling activities of the camps on this river. In the last ten years guarding expenses alone have contributed $311,296. Last year there were some 20 guardians employed for several months, in addition to a full-time chief guardian. The cost of guarding in 1971 was $42,250. In addition, perhaps 50 others were employed as guides and staff. There are the taxis and trucks used, the provisions purchased, as well as gas and oil, outboard motors, repairs, and a host of other expenses associated with these operations.

I am sure that this small community benefits to an extent well in excess of $100,000 per annum, while the number of fish taken has been pathetically small in recent years. Apart from the economic aspect, 40,000 smolts have been planted in the last 10 years, and over a longer period 1,585,000 fry have been put in the river in an effort to maintain the breeding stock.

I believe this is a typical salmon river, and if angling ends what will happen in this community? First, the camps will be abandoned. Secondly, the 20 guardians will not be employed. Thirdly, the guides, camp staffs and others will not be employed, nor will the operating expenses I mentioned before be incurred. There is not a shadow of doubt that the moment the guardians are withdrawn the river will be invaded by people with nets and other gear, and it will be cleaned out. There will be no more angling, no more commercial fishing, and no more salmon, and the community will have suffered very serious economic loss.

The total take on this river by anglers last year was 243 salmon and 123 grilse, in a total of 659 rod days. This means that an angler would take two or three salmon and one grilse in a week's fishing. It cannot be said to have been good fishing, but it is these devoted anglers and river people who have guarded the salmon coming to spawn, who have restocked the rivers, who have assisted the local communities, and who have developed a mutual respect and affection between those who live and work and those who come to fish on these rivers.

Thus, it is clear that angling provides substantial income and employment to an important segment of the Canadian seaboard population, and its total effect should not be lightly eliminated.

The fisheries minister's ban on commercial salmon fishing is certainly a step in the right direction. However, my own instinct would probably have been to adopt less drastic surgery. If asked, I would perhaps have been tempted to reduce the number of commercial permits where possible, and then put severe restrictions on the netting season to permit a sufficient escape of salmon for breeding purposes. I would still have provided compensation for those whose earnings were affected, but I think on a smaller scale. In my view, such restrictions should apply, not only to the Miramichi and Port aux Basques waters, but to all the waters and salmon rivers on our east coast from Labrador south, including Newfoundland and Nova Scotia, and should be accompanied by reduced limits for anglers.

I say that the restrictions should apply to all waters on our east coast because I must, with respect, disagree with Senator Smith, who said that Nova Scotia and most of Newfoundland were not included in the commercial ban because salmon taken in the Greenland fishery and the high seas do not come from the rivers of those provinces. While it is true that grilse apparently do not venture so far on the high seas, our best information is that there is no foundation for this belief, and that the large salmon being taken by ships of the Danes, West Germans, Norwegians, Faroese, and others come from all North American rivers from Newfoundland southward, as well as those of the United Kingdom and Europe. One country they do not come from is Denmark.

As I said, I might have chosen this approach of much reduced and controlled netting, but I am willing to believe that the government has had the widest possible advice, and so chose its announced policy. Certainly at this moment, the question of *Salmo salar's* survival is critical and I agree that drastic action has to be taken.

• (2100)

Honourable senators, to sum up, I would like to put my points very briefly:

1. Continuing and stronger efforts should be made to convince the Danes to halt immediately their deep sea fishery, as this is definitely the greatest threat to the survival of the Atlantic salmon at the present time.

2. Restrictions on commercial fishing, such as those recently promulgated by the government, are justified and should be helpful in at least maintaining stocks of the species at their current level.

3. Although I believe that limitations on angling are vital to a complete conservation program, I must reiterate that a total ban on angling will cause undue hardship to an important segment of our society. Moreover, as I explained, such action would remove any protection the Atlantic salmon might have in the rivers. It would leave no doubt that the species would disappear.

Hon. Frederick William Rowe: Honourable senators, I had not intended to speak on this matter but while listening to the very informative and well-documented statement by Senator Molson, several points came to mind. I should like to make a few comments and then direct a question to Senator Molson.

This is a very important matter which affects all Canada and particularly eastern Canada. Senator Molson referred to the discovery by an American nuclear submarine of the feeding grounds of the salmon in the Atlantic Ocean, thought now to be under the ice floes near Greenland. He said that the Danes have taken advantage of this discovery and have been decimating, virtually destroying, this great species.

I accepted the statement, as I am sure most Canadians have, that the feeding grounds were discovered by this submarine. However, a few days ago I saw a statement in

one of our local newspapers by a prominent marine biologist—his name eludes me for the moment, though I have no doubt about his credentials—in which he stated that it is utter nonsense to claim that an American nuclear submarine discovered the feeding grounds of the Atlantic salmon. He said that these grounds were known to marine biologists for many years, and that what happened was that the salmon changed their feeding grounds because of changes in oceanic conditions, water temperature, and other factors. He says the salmon have now moved into this area and the Danes are in a position to take advantage of this migration.

In one of today's Newfoundland papers there is a letter to the editor by a well-known student of salmon biology. In his opinion, the greatest destroyer of the Atlantic salmon is not the coastal commercial fishermen of Newfoundland, New Brunswick, Quebec, the Labrador coast, or Denmark; it is the common eel which infests the estuaries, rivers, and lakes of Newfoundland and Labrador, and, I believe, the mainland too.

I am not a salmon fisherman, either commercial or sports, but I do a lot of swimming and I know that it is impossible to swim in a lake, pond, river, stream or estuary of Newfoundland and Labrador without coming into contact with or seeing eels. These predators exist in the millions and most of them are three to four feet long.

Those who catch salmon say that if you leave them in the water for a short time they will be immediately attacked by eels. I am not suggesting that the eels would be able to attack live, free salmon. But the point made by this writer was that these millions of eels do more to destroy the embryonic salmon, the parrs and smolts, than all other factors put together.

I am not an expert. I know nothing more about these matters than does the ordinary casual observer, but it strikes me that when we have disagreement on two such fundamental points as those I have enumerated, there is need for a tremendous amount of research. It strikes me that we may have taken action—I am not implying that we have, but certainly it would be dangerous if we have taken action—without there having been sufficient scientific inquiries spread over a long period of time.

It has just come to my mind now that my maternal grandfather was a salmon fisherman in the great Notre Dame Bay of Newfoundland, into which two of the largest rivers in Newfoundland empty, the Exploit and the Gander. One of the great salmon fisheries of Newfoundland is to be found in that bay. I am reminded of the fact that, long before I was born, there was a four- or five-year period when the Atlantic salmon, as we now call them, virtually disappeared from the waters of Newfoundland. Everyone said the salmon had been caught out and would disappear completely. But it did not disappear, it came back in even greater numbers.

I cite that as another indication of the need for more basic research on a matter which so fundamentally affects our economy. I would like to throw this out in the sense of a question, not entirely a rhetorical question, to my honourable friend, who is obviously a student of this matter. In his opinion, is there not a need for far more research than is being done at this moment?

Hon. Mr. Molson: Honourable senators, I am not a biologist or a geneticist, so I am reluctant to express my own opinions too loudly. With regard to the first point, that the salmon feeding grounds have always been known, I do not think that is well borne out historically. I say that after thinking about it for a few minutes, but I am quite prepared to accept the fact that the Danes knew their location before the salmon moved to another area.

However, that does not alter one point I have made, that since 1964, 5,800,000 pounds of salmon have been taken in one year from of an area where none were taken before. Those salmon had to be bred somewhere, and the information that we have indicates that 50 per cent come from the Canadian rivers.

The second point about eels is one about which I really know nothing at all. The river I mentioned as my example has water which, if honourable senators will forgive the comparison, resembles gin; it is so clear.

Hon. Mr. Martin: Then it is good water.

• (2110)

Hon. Mr. Molson: The water is so clear that if a newspaper—even the *Globe and Mail*—were to sink to the bottom in ten feet, you could still read it.

That river has been fished and records and diaries have been kept for over 100 years, but none of us who fish there have ever seen eels in it. I find it difficult, therefore, to believe that there are eels in that river. Thus, the little fish such as the parrs and the smolts could scarcely be attacked in the river. If salmon are attacked in the coastal waters near the mouth of the river, then I suspect strongly that the salmon caught or observed there would bear marks or scars which could be identified as from the attacks of eels.

We take salmon that have seal marks on them. We take salmon that have been attacked by otters. Regrettably, in recent years most of the salmon taken in that river, as well as in a number of other rivers, have had extraordinarily ugly neck wounds caused by nylon nets. These nets have actually worn away pieces of the flesh at the back of the head, under the chin, and at the fins, and so on.

I believe that if eels really were a menace at the mainland, they would have been observed. I do not know at all about Newfoundland and Labrador, but if eels had been the main problem in the Gaspé and the Baie des Chaleurs areas, I am sure traces of them would have been detected.

The third point the honourable senator made—and it has been mentioned before—was that it has been noted that the salmon takes vary enormously from year to year. I believe that is absolutely true. The cyclical aspect of this affair has been noted many times. One biologist mentioned the other day that it was a ten-year cycle. I have heard it said that it is a five-year cycle. From records I have seen I believe you could take your choice, but there certainly are cycles. There are the lean years and there are the fat years. It is not a seven-year cycle as in the Bible, however, but either a five-year cycle or a ten-year cycle. At any rate, for reasons that I do not know, there definitely does seem to be a period of waxing and waning so far as the salmon crop is concerned.

On motion of Hon. Mr. Carter, debate adjourned.

HEALTH, WELFARE AND SCIENCE

LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—ORDER STANDS

On the Order:

> Resuming the debate on the motion of the Honourable Senator Haig, seconded by the Honourable Senator Buckwold:
>
> That the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.—(Honourable Senator McDonald).

Hon. J. Campbell Haig: Honourable senators, I have heard an honourable senator ask that this order stand. I should like to point out that this matter has been standing for about three months. Such a report is therefore getting increasingly remote. May I ask the Leader of the Government whether he intends to put up any more speakers to discuss this matter?

Hon. Mr. Flynn: He never puts up any speakers. It is not fair to say that of him.

Hon. Mr. Haig: I should like to close the debate after he gives me his advice.

Hon. Mr. Martin: In answer to Senator Haig, I do not think it would be fair to say that I put up speakers. I do know that Senator McDonald wishes to speak on this order. He is not present tonight, but he will be here tomorrow.

Hon. Mr. Haig: With that assurance from the Leader of the Government, I withdraw my objection.

Order stands.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, May 16, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

INCOME TAX

COMMITTEE AUTHORIZED TO STUDY LEGISLATION

Hon. Salter A. Hayden, with leave of the Senate and notwithstanding Rule 45(1)(e), moved:

> That the Standing Senate Committee on Banking, Trade and Commerce be authorized to examine and consider any bills based on the Budget Resolutions relating to income tax in advance of the said bills coming before the Senate; and
>
> That the committee have power to engage the services of such counsel, staff and technical advisers as may be necessary for the purpose of the said examination.

The Hon. the Speaker: May I first inquire if there is leave before I put the motion?

Hon. Senators: Agreed.

The Hon. the Speaker: Is it your pleasure honourable senators to adopt the motion.

Hon. Mr. Hayden: Honourable senators, you will recall that a motion of this nature was presented by me to the Senate last fall at a time when the summary of tax reform legislation was tabled in both houses, and the bill implementing the summary of tax reform legislation was presented and tabled in the other house. At that time the committee went into action even before Bill C-259 had passed in the other place, and we conducted public hearings over a period of possibly two and a half months. During that time we made three reports to the Senate reviewing the representations that had been made to us, analyzing the scope and effect of them, and making certain recommendations as to changes. In those reports we went so far as to include a draft form of amendments to Bill C-259 which would give effect to those recommendations.

Bill C-259 subsequently passed and received royal assent without any amendments having actually been made, but there was an undertaking that in the new year an amending bill would be introduced. Certainly when an amending bill was introduced it would give the Senate the opportunity, if it still felt the same way about the recommendations, to make those amendments, in line with the recommendations, to the amending bill.

We are now at the stage where there was a budget statement and report on May 8, and attached to that was a draft form of a bill providing for amendments to the Income Tax Act.

At this stage, therefore, our concern is to learn as quickly as we can to what extent the recommendations of the Senate committee, made last fall, have been recognized and accepted and are included in the amending bill. In order to do that as thoroughly as possible, it would be necessary to convene the Standing Committee on Banking, Trade and Commerce to examine the recommendations and the amending bill to determine to what extent these recommendations, and proposed amendments, have been reflected in the bill. Also, to the extent that they have not been reflected in the bill, the committee could inquire as to the reasons why such proposed amendments have not been accepted. Having received all that information, we would be in a position to determine to what extent, if at all, we should provide for amendments to this amending bill.

Honourable senators, I can tell you I do not propose to speak at any length today on the recommendations which we made. They are in the reports which are in the hands of all senators and have been so for some time. I do say it is important that we reorganize our team of technical advisers, which we had last time, and set to work in advance of the bill coming over to us, to determine the nature and effect of the amendments and whether they have gone as far as we recommended; and if they have not, why they have not; and whether we still are prepared to affirm our conviction that those amendments which we recommended are amendments which should be made.

Honourable senators, I can tell you that there were a series of amendments to which we attached a lot of importance. They had to do with profit-sharing plans and deferred profit-sharing plans of employees. I assume that senators are aware of what is included in that description. Briefly, a profit-sharing plan is a plan under which employees make contributions to a fund which is administered by a trustee or trustees. They make that contribution on a percentage basis of their annual salary. The employer also makes a contribution to the fund. Then the fund is in business. The fund may acquire shares of the company for whom these employees are working, or other shares. Usually the fund itself has income and it has capital gains in the fund.

In the profit-sharing plan, when the employee makes his contribution annually, he makes it out of tax-paid dollars. That means that he is not entitled to deduct any amount such as he is entitled to deduct in the case where he is contributing to a pension plan. In the profit-sharing plan, annually, the trustee figures out the interest of each employee and what his percentage interest is in the earnings of the fund, both the income earnings and the capital gains earnings, and then the employer's contribution is treated in the same way as a salary paid to an employee. It is treated as income of the employee.

• (1410)

In the profit-sharing plan, annually the trustee makes a calculation as to what is the income tax payable by the employee by reason of these different items, but excludes therefrom, of course, the employee's contribution, since he has paid that contribution with tax-paid dollars.

In the amendments we recommended that the employee's profit-sharing plan in relation to capital gains in the fund, and in relation to capital gains which are part

of the payment out, should be subject only to a capital gains tax and not to income tax. But under the bill as it then stood all the amount of payments out, whether they were of a capital nature or an income nature, were treated as income and were subject to income tax. Then in some cases there is a distribution in kind out of the fund. In other words, shares of various companies which are held in the fund on a pro rata basis are distributed in lieu of cash to the employees.

So far as the original bill was concerned, all this, and the value of all this, was income in the hands of the employee. We took the position that after all we now have a capital gains tax and anything that is by its nature a capital gain should attract only a capital gains tax. The amendments do recognize this recommendation in relation to profit-sharing plans and they do recognize that the capital gains element in the trust fund, the capital gains element in what is paid out, should be treated so that it is subject to a capital gains tax and not be treated as income. As you know, of course, the capital gains tax is substantially less than what would be the marginal rate of any employee who was subject to a tax on these amounts.

Then the amending bill also provides that where there is a distribution in kind—for instance, shares are distributed out of the fund to employees—that the distribution will attract capital gains only where there has been a realization of gain. So long as they hold the shares which are distributed there will be no capital gains tax incidence, but the moment they are sold and there is a gain then they attract capital gains tax.

We made this recommendation as well for deferred profit-sharing plans, but this has not been accepted by the legislation which I am discussing. We should ascertain what the reasons are. The committee was certainly impressed with the fact that this was an important element which should be thoroughly considered, because the great feature of the deferred profit-sharing plan is the lump sum payment that comes out at the end of the road. People for a period of a lifetime contribute to a trust fund with tax-paid dollars and when, at the end of the road, they receive the lump sum payment they are taxed on that lump sum payment. The lump sum payment to the people who are members of a plan of this kind has been a very attractive feature because it represents an amount of money that they can use. For example, this was one way of saving where they could pay off a mortgage or could acquire an interest in a business after they had ceased to follow their regular line of employment.

These were the great attractions of a lump sum payment. And under the lump sum payment feature there was a provision that when they were taxed on the lump sum they were entitled to the averaging provisions which were then in the Income Tax Act. Those averaging provisions meant that their marginal rate would be the averaging of the previous three years, of their earnings in the previous three years of their employment. This was some relief against having to pay the full amount of income tax on a very substantial sum of money which would only accrue in one year. Furthermore, in going back to the previous three years of employment, the level of tax and the level of income would have been very much lower.

So, honourable senators, you have the distinction made in the amending bill as between profit-sharing plans and deferred profit-sharing plans under which the tax is deferred to be paid at the end of the road. Now, you might consider that because of this there should not be extended to them the rights given under profit-sharing plans, which make the distinction between income and capital, and the right to take this averaging under section 36 of the old act which I have explained to you. I say this because under the bill as it then stood if you took the averaging under section 36, you could not take any other averaging rights. The amending legislation does permit an employee of a profit-sharing plan and of a deferred profit-sharing plan to take advantage for a period of time of the averaging under section 36, and he may also take advantage of the general averaging provisions in the bill. Then the employees of profit-sharing plans have the distinction as between income and capital, and they are taxed on the elements in the fund which are income at their marginal rate of tax and on the elements that are capital at the capital gains rate.

But, honourable senators, the particular provision which we recommended has not been accepted in relation to deferred profit-sharing plans, and there are thousands and thousands of people who are members of these deferred profit-sharing plans. If I remember correctly, one group appearing before us, representing two companies, had at least 20,000 members. This makes us realize that we are dealing with a substantial number of people who would be adversely affected in the sense that when they come to receive their lump sum payment they are not going to receive that for which over a longer or shorter period of time they have contributed.

Let me make it quite clear that I am not expressing a view one way or the other as to what should be done with this dividend, but I was a member of the committee and I know that the committee was unanimous in its recommendations. Therefore, I think we should find out the reasoning or the logic behind this. In fact many of the other recommendations which we made were accepted, but I would say that the majority have not been accepted and no reasons have been given for this. There has been no comment at all in connection with quite a number of the recommendations made by the Senate, and I think it is important that we should know why. The only real way to learn that is by having this bill studied in committee where we can hear the minister, the departmental officials and the members of the public, who are vitally concerned and who made representations, to determine whether there was a valid reason which prevented the acceptance of the recommendations or whether some points in connection with them had not been properly considered. Then your committee can report to the Senate the grounds upon which certain of their recommendations should not be pursued further, or whether the reasons given to the committee were inadequate and the Senate should insist upon these amendments being accepted.

• (1420)

We did have certain undertakings from the then Minister of Finance in relation to some of these items. His main undertaking was that there would be an amending bill introduced early in the new year. Many of us felt that even

without such an undertaking, all of our recommendations would be accepted. But, obviously you could not insist on that because there could be factors in connection with these recommendations, such as an incidence of tax, matters affecting the revenue, or other elements with which we would not be as thoroughly aware as would the ministers. However, this is the information we should obtain now in order that we may give intelligent consideration to the recommendations which we feel should be implemented into law. The only way that I am aware of to deal with this effectively and thoroughly is by studying the bill in committee where we can consider all of the angles and submit a report to the Senate, and that report can be accepted or rejected in whole or in part.

Let me illustrate by referring to the item of passive income in Bill C-259. This is a case where the arm of the law was reaching out to tax certain earnings of subsidiaries of Canadian companies operating abroad. In some instances, if the income was of a passive nature and was not generated by an active business, whether it came by way of dividends to the Canadian parent company or otherwise, the income would be subject to full rates of tax and would not qualify for dividend credits. We specified that there should be some clarification as to what constitutes an active business and how the operation abroad should be analyzed to determine whether or not it is passive income.

We also suggested extending the period respecting the rule as to passive income before such rules would come into force. This report proposes that the introduction of rules respecting the taxation of passive income be deferred from its original date of 1973 to 1975 to permit a further examination of their impact. It also provides that there should be a *de minimis* rule, which means that if the amount being considered as passive income does not exceed $500 in this area it may be disregarded as passive income and you do not pursue the matter any further. In our recommendation we felt this amount was too low to bring about the full impact of the rules as to passive income. Whether the rules, when formulated, will deal specifically with our recommendation is something which will have to be determined.

We made quite substantial recommendations in connection with non-resident owned investment corporations, and nothing has been done with respect to them.

We recommend that the basic herd concept in connection with farmers' operations should be maintained as it was in the original act. There is nothing in the bill which deals with that.

We also recommended that there should be a roll-over in connection with the sale of farm property by a father to his son or sons who remain on the farm and continue the farming operations. We recommended that if there is any gain between the cost to the original farmer and the price or value at the time of sale to the son or sons, instead of having a capital gains tax applied at once—which might present difficulty for the farmer or his family in finding the money—there should be a roll-over of the capital gain; in effect, a deferral of capital gains tax. The impact of capital gains tax would come in only as and when the farm was sold and vacated by the family.

There are quite a number of these items. Since a number of senators may not be familiar with the reports which have been made, it would be a mistake, in my view, to go into detail with respect to all the items contained in our recommendations, as to how many recommendations have been dealt with positively and how many have not.

I have mentioned certain items for the purpose of indicating the direction in which, in my opinion, the consideration of the committee should go. There has been a great deal of publicity given to the recommendations made by the Senate and to their importance. There have even been acknowledgments from the Minister of Finance and others within the government on the extent and thoroughness of the consideration given to Bill C-259 by the Senate committee. However, we would be failing in our responsibility, and would do less than a full and complete job, if we did not follow up our work by determining the extent to which our recommendations have been accepted, and why some have not been accepted.

The committee should have an opportunity of reporting on whether, in its view, the reasons for not accepting the Senate's recommendations are sound and valid, or whether the Senate amendments should be insisted upon.

Even if the committee makes a recommendation to the Senate, in the final analysis it is the Senate which passes on whether there should or should not be an amendment. It is much better to be in a position of having knowledge of all the background and circumstances, which can be obtained through the work of the committee, than simply to deal with the bill on a hit-and-miss basis without being fully possessed of the reasons underlying the decisions which led to the framing of the bill and the inclusion of some things which we thought should be contained therein, but excluding other items which we thought should also have been dealt with.

That is the reason why I now move—and this is in accordance with our procedures—that the bill relating to income tax, arising from the budget resolutions, be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Hon. L. P. Beaubien: Honourable senators, I wish to say one word concerning Senator Hayden's request that the Senate obtain adequate staff to look into these amendments to the Income Tax Act. I think Senator Hayden has just given us the reason why we have never had a staff that is adequate. Here is a bill that is extremely complicated. It was presented in the other place just a few days ago and yet Senator Hayden can get up and without a note in his hands he can review the bill and tell us what is in it or what is not in it. He is in a position to do that because he is one of our most distinguished tax lawyers and, as well, he has a large office in which he has some very able young tax lawyers under him who are prepared and willing to do this work. They are, of course, Mr. Arthur Scace, Mr. Stephen Smith and Mr. Douglas Ewens. These people have never been paid by the Senate. This work is all done gratuitously. The point I am trying to make is that the Senate must have a staff for this type of thing. Senator Hayden is not going to do this forever. I do not think any other one of us could get up with a bill just introduced in the other place and adequately explain what it contains.

• (1430)

An Hon. Senator: You could do it.

Hon. Mr. Beaubien: I believe the Senate should at least have a nucleus of staff that can do this type of work. It has been done for years now by Senator Hayden, but I think the day is going to come when he is not going to want to carry on with it. Perhaps Senator Hayden and the Chairman of the Standing Senate Committee on National Finance should get together and agree on an adequate staff. I think it is essential that the Senate does have a staff that can help whoever has to deal with these matters when Senator Hayden decides to step down.

Hon. David A. Croll: Honourable senators, I am not going to hold up this resolution by refusing to give consent, though I do not agree with it. On another occasion I intend to express the reasons why I do not agree with it. If you read the record you will notice that the Honourable Edgar Benson indicated that we were doing some special pleading, as was done here on the floor by Senator Hayden today, in saying what he did instead of just presenting the resolution.

I think I should make clear to Senator Beaubien that we are not poor relatives. The White Paper and the tax reform legislation studies cost the Senate half a million dollars. Of that figure, $200,000 or a little more was spent for specialists and experts.

The reason I am really consenting to the motion today, instead of holding it up, is that as I heard the motion Senator Hayden said "to present a bill to the Standing Senate Committee on Banking, Trade and Commerce." My own feeling is that there will be no bill while this Parliament is in session. For that reason I am prepared to let it pass.

Hon. Mr. Grosart: Did I understand the honourable Senator Hayden to say that his proposal was that the bill itself arising from the budget papers be referred to the committee or that the substance of the bill be referred to the committee?

Hon. Mr. Hayden: That is correct. In the Ways and Means report of May 8 you will find a copy of the proposed legislation. There is a precedent for this. It has been done before by the Senate by referring to committee the proposed legislation before it has gone into the form of a bill and been considered by the other place, which is the ordinary way in which the bill would come to us. The Senate has done it before not only in connection with the bill that came in last year but at a much earlier time, that being in the forties. The language which I have used in this resolution is exactly the language which was used then.

Hon. Mr. Grosart: I am still not quite clear on the answer. Am I incorrect in my assumption that the substance of the tax reform Bill, to give it its short title, was referred to the committee and not the bill itself prior to the bill reaching us here?

Hon. Mr. Hayden: What was tabled in this house last year were the bills arising out of the summary of the tax reform legislation and any bills relating thereto. That was the form in which the matter was referred to the committee.

[Hon. Mr. Beaubien.]

Hon. Mr. Flynn: Honourable senators, I do have some remarks to make regarding this motion, but since this motion has come from the Chairman of the Standing Senate Committee on Banking, Trade and Commerce, who is not a representative of the government, I think the Leader of the Government should make clear the position of the government on this motion before I deal with it.

Hon. Mr. Martin: My honourable friend has to choose when he speaks.

Hon. Mr. Flynn: You have to make up your mind occasionally, even if it is only the first time. You have to make up your mind and not wait until after I have spoken to distort the meaning of my words as you did the last time.

Hon. Mr. Walker: Honourable senators, perhaps we are talking about a *non sequitur* if Parliament is going to be dissolved on Friday next, as I understand it is, from very prominent members on the government side of the house. If it should not be dissolved, has the honourable senator, our esteemed chairman of this committee, any acknowledgment by the Honourable John Turner, our new Minister of Finance, that the very definite undertakings of the former Minister of Finance will be carried out in incorporating the recommendations of our committee into legislation early this year?

Hon. Mr. Hayden: I only know things that are reported to this side, and I am sure my honourable friend was in the way of hearing them as I was. My understanding was that the undertaking Mr. Benson gave when he was before the committee was not a personal undertaking. At least, he did not couch it in that language, as you will see if you go back and read *Hansard.* I think there has been acknowledgment recognizing that his undertaking was not a personal one. I recognize too, of course, that no matter what the undertakings might be, the moment the bill gets into the Commons the fate of the bill depends on the vote it commands. Therefore, the undertaking could not be said in that sense to be an undertaking of every member of the House of Commons. I regard the undertaking of the minister, for what it is worth, as being an undertaking of the government at that time.

Hon. Mr. Martin: I should like to say to Senator Walker that Senator Hayden himself has personally given the answer. Some of the Senate amendments have been accepted by the government.

Hon. Mr. Walker: A great many.

Hon. Mr. Martin: Yes, a great many, and they will be incorporated in legislation ultimately to come before us.

Hon. Jacques Flynn: Since the Leader of the Government has in very short terms indicated his position, I suppose he has used his right to speak on this motion and will not try to follow me and distort the meaning of the motion or what I might say.

I am pleased to give my views on this motion. I remember too well when we passed a similar motion last September. It will not come as a revelation to many members of the Senate that we passed a similar motion on September 14 last in connection with Bill C-259, the so-called tax reform bill, of which so many now have doubts, doubts pertaining to its practical implications. When the motion to refer the subject matter of Bill C-259 to the Standing

Senate Committee on Banking, Trade and Commerce was proposed by Senator Hayden, Senator Martin said he was in agreement, and added:

• (1440)

> In the way proposed, therefore, the effective date for implementation of the bill can be met, and at the same time the two Houses of Parliament, each exercising in the proper way their respective legislative functions in accordance with section 18 of the B.N.A. Act, will be able to discharge those functions. However, we are making it clear at this stage, as the Leader of the Opposition has done, and as Senator Hayden did, that we are not dealing with the principle of the bill; we are anticipating the bill, and we will deal with it properly—

I underline "properly"; these were the words of the Leader of the Government on September 14:

> ... in a legislative way after we have had an opportunity of giving it the study that will enable us to be fully informed as to the nature of the bill or what changes should be made to it.

That is the background to the first motion of this kind, which was passed by the Senate last September.

When Senator Hayden notified me this morning that he intended to present this kind of motion I told him that I was in agreement with it in principle, for the reasons I had given in September: that we were to look into this bill merely from a technical standpoint, that we would call on experts to tell us what the practical consequences of the amendments proposed would be, and whether there was acceptance of the suggestions made by the committee last year, about which the then Minister of Finance said he might do something in an amending bill that would be coming to us early in 1972. We are now in the middle of May. I do not know if it is still early for the government. I think it is late for the government in other respects.

I am willing to support this motion, but I do not want the Leader of the Government to come and tell us, when the bill reaches us, that we need not deal with it in the ordinary way, that the committee has done the job, and that therefore the Senate can take a day on second reading and a day in committee to deal with it and pass it. The government leader seems to be of the opinion that any time we take a good close look at legislation providing government handouts, government vote-buying, we are exercising undue influence on the legislative process and that this might result in a popular cry for our abolition. If we fail to do our job properly because we fear being abolished then we deserve to be abolished. I have had just about enough of this sort of servility.

I am going to follow the wish of the Senate here. I am going to follow the desire of the chairman of the committee. I am going to work on that bill. But if the same thing happens as happened last December, I can assure the Leader of the Government that he will hear from me.

Motion agreed to.

INTER-AMERICAN DEVELOPMENT BANK

THIRTEENTH ANNUAL MEETING AT QUITO, ECUADOR

Hon. Paul Martin rose pursuant to notice:

> That he will call the attention of the Senate to the Thirteenth Annual Meeting of the Inter-American Development Bank, held in Quito, Ecuador, 8th to 12th May, 1972, and in particular to the participation therein of the Canadian delegation.

He said: Honourable senators, the board of governors of the Inter-American Development Bank held its thirteenth annual meeting last week in Quito, Ecuador. I had the honour to lead the Canadian delegation to this meeting in the capital of Ecuador, which is located on the equator two miles high in the heart of the Andes.

The meeting was significant for Canada. Despite our association with the IDB dating back to 1964, this was the first time that we attended as a member of the bank. We acceded formally to membership in the IDB on May 3 last, when, on behalf of Canada, our ambassador at Washington affixed his signature to the original instrument of agreement at the bank's headquarters.

I was accompanied on the delegation by Mr. Gérin-Lajoie, President of the Canadian International Development Agency, and by a group of officials from the Department of External Affairs, the Department of Finance, the Department of Industry, Trade and Commerce, from CIDA, and from the Export Development Corporation.

I should like to note that we were greeted cordially by the president of the bank, the distinguished former Minister of Finance of Mexico, Antonio Ortiz Mena, by Francisco Morales Bermudez of Peru, who is chairman of the bank's Board of Governors, and by the President of the Republic of Ecuador, General Lara. In his address to the governors of the bank in Quito, the president, Mr. Ortiz Mena, recalled that I, as Secretary of State for External Affairs, had signed an agreement in December 1964 establishing a Canadian fund under whose auspices Canada subsequently made $74 million available to the bank's loan capital.

Reflecting our broadening relations with the Caribbean and Latin American areas, Mr. Sharp, my colleague, the Secretary of State for External Affairs, noted ten days ago that the acquisition of full membership in the Inter-American Development Bank was a "significant milestone" in achieving the desired intensification of our relations with the Americas as set forth in the Foreign Policy Review.

In becoming a member of the Inter-American Development Bank, Canada continues to evolve her now long-standing policy of seeking to increase allocations for foreign aid, and in doing so to make the best use of the machinery provided by multilateral institutions. As a member of the IDB, Canada also joins the United States as the only other non-borrowing member of the bank. As such we have agreed to make a paid-in subscription of $40 million to the capital stock of the bank, and to contribute a further $60 million over the next three years to the fund for special operations, which provides low interest loans to members of the bank.

• (1450)

Honourable senators, membership in the Inter-American Development Bank, membership in the Pan-American Health Organization and the Inter-American Institute of Agricultural Sciences, acquisition recently of a permanent observer status at the ambassadorial level in the Organization of American States, our close links with the Commonwealth and other states in the Caribbean, and our participation in the Caribbean Development Bank, are all steps which foster our growing involvement with our neighbours in the Americas.

Let no one think that this involvement will not be in relation to very important developments in that part of the world. It is the most rapid-growing area in the world, where it is estimated that at the end of the century there will be over 100 million people possessing a market second only to that of China.

This close and growing association with our sister states in the hemisphere serves also to open the way for closer economic and commercial relations, although that is not the primary purpose for our seeking to join the bank. Although our membership in the IDB arises from our concern to assist developing countries in the area, the importance of the inter-American market will become increasingly apparent in the future. My recent two visits to Latin America—to Ecuador and to Chile and, on the way, to Colombia and Peru—have opened my eyes to the possible ways in which mutually beneficial exchanges should be able to develop from rapid social and economic progress in these countries. Vast and growing markets exist in the area, and the more that we have to do with assisting the development of the inter-American economy the greater will be their capacity to import Canadian goods and services. Indeed, immediate advantages arise from our membership in the bank, enabling Canadian manufacturers to participate in procurement for projects launched by Inter-American Development Bank financing.

Our membership in this bank is complemented not only by our financial association extending over the last eight years, but also by our program of bilateral technical assistance to Latin America, which was established a year ago. In joining the bank, we join an institution whose work has been established beyond question. Founded at the end of 1959, the bank has disbursed to member countries some $4 billion in ordinary and soft loans. The bank is the largest of the four regional development banks, and has acquitted itself well in promoting inter-American understanding. The bank has concentrated on providing loans to finance capital spending projects in such major sectors as agriculture, transport, communications, electrical power, heavy industry, mining, education and urban development. The latter, I might add, is a growing problem throughout the hemisphere, as was reflected in many of the speeches and statements during the last meeting.

I am sure that honourable senators who have been in Latin America recently could not have avoided being impressed by the tremendous development that is taking place, particularly in the great cities of that continent—places like Bogota, Santiago, Quito and Lima. The city of Bogota, in which I had never been before, is a big modern city, comparable to anything that we have in this country, and structured in modern terms that cannot help but captivate fancy and interest. It is not too early for Canada to be developing the interest that she has in institutions designed to improve the social well-being and the economic well-being of the countries in the hemisphere that is ours as well.

The bank's membership includes every Latin American state, except Cuba, and the Caribbean is also represented by the Barbados, Haiti, Jamaica, and Trinidad and Tobago. Our membership completes the representation of developed countries within the hemisphere of the Inter-American Development Bank.

In his observations to the governors, Mr. Ortiz Mena pointed out that Canada's acquisition of membership "constitutes final recognition of the fact that that great country is not only a geographical neighbour but also an inseparable part of the American system." I should like to add myself that our membership was warmly welcomed by all of the governors of the bank and by the several thousand people who attended the opening session, and that we received an emotional welcome when the delegation entered the chamber of the Legislative Palace to take the Canadian seats for the first time as a full voting member of the bank.

As one delegate observed, this was an historic moment in that for the first time in history all of the members of the western hemisphere were taking part in the same organization.

We heard a similar statement from Rodrigo Llorente, the Governor for Columbia, a well-known central banker of Columbia, who spoke on behalf of his fellow governors at the opening session of the meeting. The chairman of the board of governors of the bank, Mr. Bermudez, the Minister of Finance of Peru, spoke of the "great privilege" enjoyed by the IDB, the Inter-American Development Bank, in welcoming Canada to membership. He went on to say that in expressing collectively cordial welcome to Canada he wished to express deep gratification, and that he felt assured that Canada's joining the Bank would prove a positive contribution in the struggle for development. I have no doubt that it will.

In responding to these words, on behalf of Canada I told my fellow governors that our joining the Bank was not an accident of geography but rather an affirmation of the fact that we regarded our membership in the bank as "a milestone on the road to closer co-operation with the countries of Latin America and the Caribbean." I told them that Canada, having recognized encouraging signs of social and economic progress, wanted to play a fuller role in helping the countries of South America and the Caribbean to achieve their goals of economic growth. In joining the Bank, Canada seeks to take steps to implement that desire. That is the view of the government.

In addition, honourable senators, we shall continue to strengthen our ties at the bilateral level and to increase our support for non-governmental institutions, particularly the religious orders, whose record of achievement in Latin America has been most impressive. In this practical manner, Canada is feeling her way towards a new and much closer relationship with all of our neighbours in the hemisphere. For the present we can do most to help in the economic sphere. That is why we are developing pro-

grams of technical assistance, and that is why we joined the Caribbean Development Bank and we are now members of the Inter-American Development Bank.

• (1500)

As I told the governors in Quito, "The business of this Bank is development and it is as a partner in development that Canada has opted for the privilege of full membership. But when all is said and done, development is a means and not an end. The end, as one development economist put it more than a decade ago, is 'the adventure of seeing what man can and will do when the pressure of scarcity is substantially lifted from him.' "

It is to that end, honourable senators, to the full unfolding of the diverse societies represented in this Inter-American Development Bank, that Canada will join its efforts to those of its friends and neighbours in the western hemisphere.

Hon. Jacques Flynn: Honourable senators, I was somewhat amused that in his speech the government leader referred on two or three occasions to his fellow governors of the Inter-American Development Bank. Senator Stanbury will surely want to have a word with him about that. He is not supposed to go out of his way to identify himself with classic bank directors. That hardly goes along with the idea of calling the Liberal Party the "People's Party," a label which Senator Stanbury has been trying to popularize in the last few months.

Hon. Mr. Croll: It is a different hemisphere, you see.

Hon. Mr. Walker: That is a very nice point.

Hon. Mr. Martin: Would Senator Flynn not agree that a bank like this, which is designed to help improve the standards of living of poor countries, is perhaps the best form and the best expression of a liberal attitude?

Hon. Mr. Flynn: I shall come to the merit of the bank in a moment, but I do not think it bears any relation to the fact of the government leader's calling himself a governor of the bank.

Hon. Mr. Martin: Well, that is the title.

Hon. Mr. Flynn: I know, but you seemed to insist so much on it that I was rather amused. No doubt this is one area where the Leader of the Government would probably have liked to make some contribution, but he cannot be everywhere at the same time.

In a more serious vein, I think it fitting that Senator Martin should have led the Canadian delegation to Quito. It was he who in 1964, as Secretary of State for External Affairs, signed an agreement establishing a Canadian fund under which Canada subsequently made $74 million available to the bank's loan capital. And here he was again last week agreeing to make a paid-in subscription of $40 million to the capital stock of the bank, and to contribute a further $60 million over the next three years.

We on this side certainly approve the efforts that this government and the government which preceded it have made towards greater involvement with our Latin American neighbours.

Not so long ago we were hesitant about intensifying our relations with the Americas for fear of alienating some of our Commonwealth cousins. In retrospect it appears that our timidity was unjustified.

Great Britain has chosen to strengthen its ties with the countries of continental Europe. Similarly, it is entirely appropriate and it makes no end of good sense for us to do likewise with the people of the Americas. Our increased aid to Central America and South America and the Caribbean will, in the long run, prove beneficial to us. Their economic and social progress cannot help but provide us with future markets for our goods. This is not charity on our part; it is a wise long-term investment. We are in a position to be able to help, and I feel that we are right in doing so.

The one thing that especially pleases us is that the aid as distributed through the Inter-American Development Bank is not invariably government-to-government help. The private entrepreneur can borrow for the development of his enterprise. I consider this an excellent departure from the traditional way of helping.

To summarize, we are in favour of aid to our Latin American neighbours. We are particularly in favour of the way in which such aid is distributed by the Inter-American Development Bank. When aid money goes directly to those who can most efficiently help develop the country—that is, the local entrepreneurs—that country's chances of coping with the twentieth century are significantly enhanced.

Hon. Mr. Grosart: Honourable senators, I wonder if I might direct a question to the Leader of the Government? Is there, under the constitution of the bank or otherwise, a formal relationship between the magnitude of the Canadian government's contribution to the funding of the bank and the access of Canadian businessmen to the procurement of contracts financed by the bank in the area?

Hon. Mr. Martin: No, there is no relationship in that sense. Even though Canada was not a member of the bank, and even before 1964 when we used the bank as our agent for allocation of assistance, Canadian businessmen had the right to bid on contracts for work in any Latin American country out of funds provided by the then members of the bank.

Now that we are a member of the bank, neither the opportunity for participating in work nor the resource contribution to Latin American countries on the part of Canadians will be affected in the least one way or another. For instance, just before we joined, one of our electric companies—and I do not think I should mention the name—put in a bid for a very large contract in one of the major countries. I do not know what the result of its bid will be, but there is no reason why that particular work could not be financed out of funds supplied by other donors. Not all the donors are members of the bank. There are other countries which are not members of the bank but which do supply loan capital to it.

Hon. Mr. O'Leary: May I ask the Leader of the Government a question? Is there any check upon, or any rules governing, how this bank will make loans, or why and to whom it will make loans?

My honourable friend a minute ago spoke of the rich and great cities he had seen in South America. Did he go into the countryside and see the abject, awful poverty and

degradation in which hundreds of millions of people in South America live?

If the Inter-American Development Bank is going to do something for these people, I am heartily in favour of it. If it is merely going to procure contracts for Canadian manufacturers or help line the pockets of bankers in South America, then I am against it.

Hon. Mr. Martin: And I would certainly be against it as well. I hope that Senator O'Leary will read the statement I made today. He will see that the primary purpose is development.

Hon. Mr. O'Leary: What do you mean by "development"? Development of what and of whom?

Hon. Mr. Martin: Development of the country.

Hon. Mr. O'Leary: That is a very loose word.

Hon. Mr. Martin: The building of an airport or a bridge might be important contributing factors in the economy of a particular country. The promotion of programs in agriculture and teaching people how to improve their technological experience in various vocations are all part of the process of assisting in the development of a country.

All applications for loans must be made to the Board of Governors. The Board of Governors formally assesses an application, and then it is carefully examined by officials of the bank. I can assure Senator O'Leary that the most careful process of examination is pursued before any commitment is made.

• (1510)

The personnel of this bank, as is the case with the Caribbean Development Bank and the Asian Development Bank, are men who have had the greatest possible experience in the banking world, the business world, and this particular type of endeavour. I can also say that there is a very close liaison, although not a constitutional liaison, between this bank and the World Bank.

Hon. Mr. O'Leary: I accept that, but I must say that I should like to see some accounting as to how this money is spent. I am sorry to say it, but I have never yet met a rich South American with the slightest glimmering of a social conscience.

Hon. Mr. Martin: I think it would be unfortunate if the last remark of Senator O'Leary were allowed to be construed as in any way reflecting on the bank. Whatever may be the weaknesses of a particular individual, and I should imagine that these weaknesses are not peculiar to individual nationalities, they do not apply to an institution like this, and I am sure that upon reflection Senator O'Leary will see that there is not much relevance to the present situation in the remark which he has made.

Hon. Mr. O'Leary: I will allow my words to stand with no apology and with no regret.

The Hon. the Speaker: If there are no other honourable senators who wish to address the house on this matter I shall declare the subject debated.

Hon. Mr. Flynn: Exhausted!

[Hon. Mr. O'Leary.]

U.S.S.R. PARLIAMENTARIANS

VISIT TO CANADA—DEBATE ADJOURNED

Hon. John J. Connolly rose pursuant to notice:

> That he will call the attention of the Senate to some aspects of the recent visit to Canada of seven members of the Supreme Soviet of the Union of Soviet Socialist Republics.

He said: Honourable senators, I gave notice that I would call the attention of the Senate to some aspects of a recent visit to Canada of seven members of the Supreme Soviet of the Union of Soviet Socialist Republics. May I hasten to add that I do not intend to make a general tour de force of the ten days that our guests spent in this country. My intention is to talk about trade and trade prospects between Canada and the U.S.S.R. Before doing so there are one or two preliminary matters to which I should refer.

In the first place, I should be failing in my duty if I did not say how much the success of this Senate project was due to the great initiative and tremendous contribution made by His Honour the Speaker.

Hon. Senators: Hear, hear.

Hon. Mr. Connolly: Senator Deschatelets, under very difficult conditions and with very little notice, planned a mission that in addition to being important was also somewhat delicate. The arrangements were, to say the least, complicated, and he dealt with them in a highly successful way. In addition, from the time our visitors arrived in Canada in early March until they left, he followed them personally through their visits to Montreal, Ottawa, Toronto, Calgary, Banff and Vancouver at a time of the year when our weather is just about at its vilest. He deserves very great credit indeed for the success of this useful visit.

I should also be failing in my duty if I did not refer to the contributions made by Senator Aird in Toronto, Senator Hays and Senator Cameron in Calgary and Banff, and Senator van Roggen in Vancouver. There were, of course, other senators who also contributed greatly, and I fear I may put myself in their black books by not mentioning their names here. For example, Senator Yuzyk together with Senator Lapointe and Senator Davey made contributions when our visitors were here in Ottawa, and it is my hope that in due time they will have something to say about the visit, and the various things they learned from it, which would be of interest to all honourable senators.

None of the people who came to visit us here in March 1972 had been with us during the course of our visit to Russia in January 1970. I think the lack of continuity on the part of the Russian delegation made it a little more difficult for the people who did in fact come to assess the type of meetings, and the procedures that were adopted in connection with those meetings. On the other hand, I think that the Canadians who had been to Russia—and here I am referring to Senator Flynn, Senator Aird, Senator Deschatelets and myself—had what I would describe as a feel for the kind of discussion which could be expected to be held. This was an extremely useful factor. It is my hope that in future joint meetings there will be some element of continuity. I say that because I understand that

in years to come we can expect mutual exchange to continue.

At this stage, honourable senators, I should also like to suggest that the two groups abandon the question and answer form of dialogue in favour of a round table form which could be adjourned from time to time, and which would allow ample time to complete an agenda. I would also suggest that for practical purposes the agenda should contain no more than three or four topics for discussion during the entire period of the visit. There would be ample room for serious, extended, and useful discussion if this type of procedure were followed.

I discussed this point with many of our visitors and they seemed to be in agreement. One of them in particular, Mr. Chakovsky, a writer, journalist and novelist whose command of the English language was excellent, summed up the situation by saying, "Less travel, more talk." I am aware that we must learn to walk before we run and that we have to recognize the difficulties involved in a situation where there is need for interpretation of the other man's point of view because of the language difficulty. But those words of Mr. Chakovsky adequately summed up my own point of view.

I commend our guests for one useful innovation, and that is that in their group they included two gentlemen of ministerial rank, Mr. Tikhonov and Mr. Galanshin. These are two very able gentlemen who made notable contributions to the general discussions, and were especially helpful during the interviews with the Minister of Industry, Trade and Commerce, Mr. Pepin, and the Secretary of State for External Affairs, Mr. Sharp. I attended both of these meetings and I can testify to their value to both sides. From all of this I believe that future delegations from the Parliament of Canada—and here I am referring, of course, to the Senate and the House of Commons—could with advantage be led by a minister. I think that if a minister leads a group from Canada more can be expected to be thoroughly and effectively discussed in a meeting with representatives of the Supreme Soviet.

• (1520)

As I indicated in my opening remarks, my main preoccupation in the visit was the issue of trade between the U.S.S.R. and Canada. I will give honourable senators a few simple but important statistics. In 1971 Canada sold about $126 million worth of Canadian production to the U.S.S.R. Of this amount wheat accounted for $111 million. The Russian crop was short that year, and they had to purchase abroad. We were informed that the only question asked in the appropriate circles in Moscow regarded quantity, price and date of delivery. We were informed that there was no debate in ministerial circles regarding the source of the supply of wheat. It would be Canada. Obviously, this country enjoys immense good will in governmental circles in Moscow and, in my view, it is in Canada's best interest to preserve that status.

The remainder of our sales to the U.S.S.R. in 1971 totalled around $14 million—for cotton, hides, some pulp products and some radio-active materials. Curiously, the sales by the U.S.S.R. to Canada during 1971 were about the same—$14 million.

Honourable senators, it is clear that apart from wheat, our trade with our northern neighbours is not significant. I hope it will soon become obvious that it can go only one way from both sources, and that is up. If it is carefully cultivated, the potential for both countries is enormous, and for both it is virgin territory in trade. However, the interest of Canadians is rather special. Canada would not wish to lose the preferred position she enjoys for wheat sales in the U.S.S.R. as requirements arise. Russia is anxious to penetrate the open, competitive Canadian market. Russia has recently sold some electric generators to British Columbia Hydro, but this is an isolated case.

Our systems of distribution for machinery, the importance of parts and service for any imported mechanical device, our anti-dumping laws, our tariffs, are all factors that make entry into the Canadian market an undertaking of great complexity for a country which is just now looking into the matter. To preserve our preferred commercial standing within the U.S.S.R. we must help this legitimate Russian interest all we can.

Our Minister of Industry, Trade and Commerce, Mr. Pepin, believes that a good start was made for trade between the two countries in the agreement which was signed early in 1971. The document provided for co-operation between Canada and the U.S.S.R. in the field of industrial application of science and technology. Already some six mixed commissions have been at work identifying areas in which trade can be developed—petrochemicals, pipelines, Arctic construction, pulp and paper, mining, as well as other fields. Exporters from the public and private sectors of Canada have had a series of meetings with their counterparts in Moscow during 1971. Another series of meetings is to be held this month, or perhaps they have already been held. If products, patents, and know-how can be identified and developed, it will then be up to exporters from both countries to explore and develop markets and sales. This is the hard-nosed part of the intercourse. I believe it promises fruitful returns if energy and initiative are brought to bear upon it.

Honourable senators, I would not presume to outline a set of rules to help Canadian exporters penetrate the Russian market. The techniques required to be successful there must be developed in accordance with Russian practices. But following the discussions in which I participated during this recent visit, I think it appropriate to make some suggestions which Russian exporters and exporting agencies in the U.S.S.R. might consider for adoption by them in Canada.

As I have said, the Canadian market is open and competitive. It is essential for a new entrant to have good market surveys. It is essential that the exporter appreciate not only the Canadian demand, but the precise areas of the demand, the advertising requirements, and the most appropriate system of distribution. Since the war, various methods have been used to penetrate our market by foreign manufacturers. The Japanese have conducted this exercise successfully, as have the Germans, the Scandinavians, and many others. Russian exporters would best be served if they did not attempt to do this on their own initiative. They should consider employing the services of reputable and energetic Canadian business consultants. Others have adopted this method with great success. There are consulting firms available in Canada and

they can produce highly satisfactory results, if our experience with foreign goods sold within this country since the war is any gauge of success.

This approach is open to any foreign entrepreneur interested in the Canadian market. If this enterprise, under the guidance of competent Canadian firms of business consultants, can be undertaken successfully the operations in Canada could be a test case. A knowledge of the techniques required to compete in the Canadian market could assist the Russian exporters to enter other open markets in the Americas and elsewhere. I hope exporters in the U.S.S.R. realize how valuable this exercise could be for them. Of course, it will be costly. Trade promotion is always costly, but the advantages vastly outweigh the cost in terms of money, time, and effort.

• (1530)

Since our visitors were here I noticed and read with interest an article in the issue of *Time* magazine of April 24, covering the visit to Moscow of the Honourable Earl Butz, the United States Secretary for Agriculture. Mr. Butz was in Russia for trade talks. According to the magazine story, he predicted that the Soviet Union might buy as much as $200 million worth of American wheat and feed grains every year for the next decade. There was also some talk of sales of Russian products in the United States and, curiously, natural gas was included in the list.

Honourable senators, as I have said, Canada enjoys a most favourable status in the Russian wheat trade. I would think that American cereal sales would be mainly of coarse grains. The annual volume predicted by Mr. Butz of $200 million per annum is much greater than the big Canadian sale in 1971. Canadians, therefore, must be on their toes regarding Russian trade, not only to ensure sales but also to encourage imports of Russian products into this country.

As we all know, the foreign trade of the U.S.S.R. is conducted through state trading agencies. We have one notable counterpart in our own country, namely, the Canadian Wheat Board. We might well ask ourselves whether we should have more such agencies to deal not only with Russia, but also with other countries which have state trading agencies. We should inquire in what form such agencies should operate, and whether they should be entirely government-owned. Should there be participation from the private sector of the economy, and should this participation be by industry, by sector, or in some other way? Should foreign trading partners be given an option to enter such a consortium, and, if so, how much?

When our Russian guests were with us they were asked—I myself asked them during a committee meeting—if they thought they could enter and compete successfully in the Canadian market. Their answer was that they were already doing so in other open markets such as the United Kingdom, France, West Germany, and Japan.

I was curious about this, so I inquired. The following figures were given for the year 1969. During that year U.S.S.R. export sales to the United Kingdom totalled $345 million; to France, $114 million; to West Germany, $178 million; to Japan, $289 million; and to the United States, $49 million. Obviously, Russians know how to sell in some western countries.

[Hon. Mr. Connolly.]

In the same year Russian imports from the United Kingdom totalled $194 million; from France, $261 million; from West Germany, $268 million; from Japan, $213 million; and from the United States, $94 million.

In 1969 the U.S.S.R. surplus on the trading account between those five countries amounted to $1.1 billion. Amateurs in trade do not do business and obtain this kind of result. These figures are rising annually. Russian sales in the United States are four times larger than those in Canada, yet they are not significant. Russian sales to the United Kingdom are 14 times larger than those to Canada. To France, they are 18 times larger; to West Germany, 19 times larger; to Japan, 15 times larger.

The two-way trade between the U.S.S.R. and those four countries in 1969 was worth anywhere between one-third to one-half a billion dollars. With Canada it was less than $30 million. This is active trade. There may be lessons to be learned by Canadians from these trade patterns between the U.S.S.R. and those four relatively open economies.

Honourable senators, I believe that Canada has a legitimate interest in developing trade relations with the U.S.S.R. Other western nations are doing so, and the United States is obviously aware of this trend and is taking advantage of it. I believe that the development of these trade relations can be achieved without affecting Canada's existing trade pattern. I believe it can be done without injuring Canadian industry, which is an important consideration for this country. I believe also that to do so would be in the interest of Canadian consumers, and that the mutual confidence developed through healthy, profitable trade relations could spill over into other areas to the advantage of Canada and the U.S.S.R., and lead to a better climate of co-operation between the East and West.

On motion of Hon. Miss Lapointe, debate adjourned.

NATIONAL CAPITAL

FUTURE USE OF CARTIER SQUARE

Hon. Eugene A. Forsey rose pursuant to notice:

> That he will call the attention of the Senate to various proposals for the future use of Cartier Square.

He said: Honourable senators, after the masterly speeches which we have had this afternoon on these important topics, I feel rather like one who attempts to set off a squib after a shower of meteors. Nonetheless, I think there may be some merit in raising a particular matter, small in itself, but of some importance to the future of the national capital.

Before I go into that, however, I should like to take this opportunity of joining with others who have spoken already on other subjects, of saying how pleased I am to see the latest additions to the ranks of this chamber. I have a special pleasure in welcoming here the Honourable George McIlraith, to whom I paid a too modest tribute shortly before his formal appointment to this chamber, and the President of Dalhousie University, of which for the last year I have had the honour of being an honorary graduate.

• (1540)

Both of these honourable senators I have known for some little time. Senator McIlraith moderately well, I think I may say; Senator Hicks not quite so well, but in both cases with great profit to myself and with a feeling of strong admiration. The other two new senators I have not had the pleasure even of meeting. I have every reason to believe that I shall shortly entertain for them as high a regard and admiration as I do for these older friends. I am especially pleased that three of the four new senators just appointed come from the Province of Nova Scotia, a province with which I have hereditary ties of about two centuries. I sometimes refer to myself as a maritimer *in partibus infidelium*, having lived most of my life in this part of the country, although my roots are nearly all in the Atlantic provinces with some in Quebec in the bargain.

To turn to the subject which I wanted to deal with this afternoon, the proposals for the future use of Cartier Square. Cartier Square, down to the outbreak of the last war, was an open space utterly unadorned, utterly unpolluted also by specimens of modern architecture or modern soi-disant sculpture. Up to the beginning of the last war Cartier Square was, as I say, an open space, and then at the beginning of the last war a temporary building was erected there for the use of the Department of National Defence. From what I have seen in the newspapers recently I gather that that temporary building will, within a measurable time, be taken down, and the question then arises: "What, if anything, is going to be put in its place?" So far there appear to have been three sets of proposals.

First of all, there is a proposal to make all or a large part of this space into a parking lot, specifically, perhaps, for the occupants of the new building for the Department of National Defence on the other side of the canal. I confess that I look upon this proposal with less than enthusiasm. I share the views of the chairman of the National Capital Commission on the subject of the private motor car as a devouring flame, a scourge, to modern cities, and I should be very sorry, indeed, to see a large part, let alone all, of this open space offered up as a sacrifice to this modern mechanical Moloch. I am aware that this is a somewhat heretical, not to say blasphemous, view because, for a great many people, the earth is the motorists' and the fullness thereof, the world and they that dwell therein.

As a humble pedestrian and a user of public transportation, and as an ordinary citizen of this city, I should deplore very much adding to the utterly uneconomic use of the private motor car and dealing a fresh blow to the use of our public transportation system by devoting any appreciable part of this space to a parking lot, whether for the Department of National Defence or anybody else. We want to move away from that sort of thing. We want to move towards the greater use of public transportation and a decrease in the pollution and the congestion brought to us by the use of the private motor car in a large modern city like this.

The second set of proposals for the use of this space appears to be to set up a housing, shopping, office complex on a large part of the area. I cannot say that I regard this with enthusiasm either. It seems to me that there is very little to be said for placing this kind of thing in that particular location. We have now no high rise development in that particular place and I cannot see why we should have one. I have no doubt that the proposed complex would, in a sense, be, in part at least, a high rise development. I think we have quite enough of those in the centre of the city now; in fact, rather too many.

Hon. Mr. Connolly (Ottawa West): We have the new Bell Telephone complex.

Hon. Mr. Forsey: One of the deplorable aspects of the development of modern cities is that all over the world they are becoming to look more and more alike. No matter where you put down, whether it is in Europe or America—and I dare say this is becoming true of other continents as well; I cannot speak from any experience there—no matter where you put down you may always believe you are in the same place that you started from. The great monstrous skyscrapers are all around, a good many of them leaving something to be desired on the score of aesthetics. I do not see much future in that kind of development there.

The third proposal is that the area should be given over to a new National Gallery with, and I quote verbatim from the report, "a sculpture park." Well, a new National Gallery on that area might have something to be said for it, although I must confess that I rather fear that any building devoted to it might wear something of the aspect of either a packing box or a penitentiary, which so many of the modern buildings do seem to wear. I have a horrid feeling that if something were to be put up there it would fall into either one of those broad categories and would be an offence to the eye. But what really terrifies me is the prospect of a sculpture park around any such building.

We have now in the area where the Roxborough apartments used to stand, just across from the Lord Elgin Hotel, a monstrosity, a horror, on which I have already commented in this house and elsewhere. I have described it as a huge representation of the human great intestine, and this is perhaps a flattering description of it. I have found in a great many comments I have heard and some I have read, notably an editorial in last Friday's *Journal*, a good deal of sympathy with my point of view on this. I know I shall be decried here as hopelessly out of date—I do not appreciate modern art. Well, I wrote to Dr. Boggs on this subject some little time ago and I said that if this is sculpture, then I am the Pope, the Archbishop of Canterbury and the Dalai Lama all rolled into one.

I added that that monstrosity reminded me of my old friend Arthur Meighen's comment to me on modern poetry: "I ask myself one question: Could I have written it? If so, it isn't poetry." Well, when I look at things like that I ask myself one question: "Could any moderately competent mechanic capable of wielding a saw and a hammer and a chisel and a few simple tools like that, or in some cases even capable of using a pair of scissors and a pot of glue—I am thinking of a particular exhibit which I saw in the Art Gallery last year—could any such ordinary person have done this?" and I think the answer is, in general, "Yes".

In the case of this fibreglass affair I suppose a slightly higher degree of skill would be required, but nothing really out of the ordinary. Just get some moderately

competent performers with fibreglass and they could do the same sort of thing any time given enough time and, I might add, enough public support.

At this point I want to digress just for a moment to say it appears to be impossible to discover how much these practical jokes which are perpetrated on the taxpayers are costing the taxpayers of this country. We ask for the cost of these things and we are told in a lofty and Olympian manner that it is "not policy" to disclose what they cost. Well, I should like to know why it is "not policy." Why under the sun should the ordinary people of this country be compelled to pay for things of this sort which, I venture to say, cost a pretty penny? Why under the sun should we have to pay for them without knowing how much we are paying?

If it turns out that the things cost a matter of $5 or $10, I suppose it does not matter one way or the other financially, but I would venture to say that if the cost of that concoction out there were disclosed it would be a good round sum. I have some reason to believe that while the gentleman who perpetrated it and, I understand, his five assistants, were engaged upon the thing they were maintained in the style of life to which they believed themselves to be accustomed and entitled and they were maintained out of funds provided by the Treasury of Canada. I do not know how long they took, but if you have six people supported, as I understand they were, during the period necessary to produce this work of art, then I suggest it must have cost the taxpayers a pretty penny.

• (1550)

That is parenthetical. That is not the main point. It is not only a matter of the great intestine. It is a matter of a number of other "masterpieces" of sculpture in that same small park; three or four painted wooden boxes—at least, I suppose they are wooden; they may be papier-mâché, for all I know—stood up on end. I think there is one bright blue, one yellow and one red; there may be a fourth, I cannot remember. Again, if that is sculpture, then I am Socrates and Shakespeare, with Michelangelo thrown in. Any jackass with a saw and some pieces of wood and a pot of paint can do it.

Are we to have a sculpture park spread around a new art gallery on this area with these things proliferated all over the place, and quite possibly worse? I understand that another masterpiece perpetrated by the manufacturer—the term "manufacturer" is not my own; it comes from a high authority in artistic matters—of the "great intestine," another masterpiece of this gentleman, has already been bought by the National Gallery, and probably the authorities there are just itching for the moment when they can hurl it on to the territory now occupied by the National Defence temporary building.

This prospect of visual pollution is a nightmare that "thicks man's blood with cold," if I may borrow a phrase from Coleridge. The thought of it is the thought of a fate worse than death. If the Director of the National Gallery and the Trustees of the National Gallery want to transform parts of the interior of that building into chambers of horrors or fun fairs comparable to the sideshows that are sometimes put on at circuses, then I think the public can endure it, because after all, they don't have to go in. It is like foul programs, insufferably boring programs, intolerable programs, for one reason or another, on radio or television. If you do not like it you can switch it off. If you don't like what is in the National Gallery you can switch it off. But unless you go around blindfold you can't switch off that concoction, that monstrosity, out there in the park opposite the Lord Elgin Hotel. If there are to be more of these things it will not be possible to switch them off either.

I think the public of this country have a right, not only the citizens of this city, but the tourists who come here from all over the world, to be protected against this kind of visual pollution, and expensive visual pollution. Let this kind of thing be kept within doors at least. There the arty people, the avant-garde people, the people who dwell in realms of empyrean splendour of abstractions, can enjoy it, and the rest of us do not have to be outraged and insulted by it every day of the week.

I do not mind the National Gallery so much—although I have my doubts about that—but when it comes to the possibility of a sculpture park, an outrage park, a monstrosity park, a nightmare park, spread over this area, then I think it is time to register a protest on behalf of the ordinary common people who have no pretensions to being great art critics and no pretensions to being citizens of the twenty-first, twenty-second or twenty-third century.

The other thing that can be done with this area is simply to return it to its former state, or approximately its former state, as an open space. This, it seems to me, is the proper thing to do. Let us have God's green grass, God's flowers and God's trees there. If we want to have lawns rather than untouched grass and weeds, which used to flourish there, that is fine; I have no objection to that. If we want to have exceptionally beautiful trees—and we have exceptionally beautiful trees in this country that could be planted there—it would be a joy and a glory. If we want to have flowers, the National Capital Commission has had infinite experience in providing us with noble displays of flowers.

These things are splendid. But let us have an open space, unpolluted, undesecrated. Surely this is not too much to ask. Surely we can ask for the restoration, or the substantial restoration, with some improvement of the status quo ante-bellum, the kind of thing that existed there for many years, with improvements, if you like, and was, even in its uncultivated state, a pleasure to the citizens of this city, and in a lesser degree to those who came here from outside.

I very much hope, honourable senators, that the powers that be will turn thumbs down on any proposal to make this particular area the place for so-called artistic practical jokers that some people would like to make of it.

I have expressed myself with what I suppose would kindly be called a generous warmth, and unkindly, considerable violence, on this subject, but it is a subject on which I feel extremely strongly. I think we are being ridden rough-shod over by arty people and high falutin' people in this particular regard, and I think it is time the ordinary people put in their word of protest. I am confident that when I have put in my word of protest, even in the strong terms that I have, I am not speaking for myself alone, but for a good many citizens of this city and for a good many people who might come here from outside.

Hon. Allister Grosart: Honourable senators, so that the impression will not get abroad that there is only one viewpoint on such matters as have just been discussed by Senator Forsey, I should like to suggest that there is another way of looking at this problem of modern art, which some of us do not understand. I find myself in exactly the same position as Senator Forsey in regard to what he has called the "intestinal monument" opposite the Lord Elgin Hotel. I personally find it revolting to look at and completely beyond my comprehension as modern art, if it is modern art. I feel the same way as Senator Forsey does, that one can apply the standard of judgment he has mentioned. I feel that if I could have done it myself it cannot be art. But, of course, exactly the same thing has been said about art ever since there was such a thing as art recognized as part of a civilized culture. I am sure Senator Forsey has read Browning's poem "Fra Lippo Lippi." Exactly the same problem is stated in poetic terms, and the plea is made there for an understanding of the artist by laymen.

Exactly the same criticism was made of the French impressionists, whose works are now popularly enjoyed all over the world. Exactly the same criticism was made of our own Group of Seven. There are senators here who will recall that such words as "hot mush" were used about the paintings of the Group of Seven when they first went on exhibition. It is very easy, of course, for those of us who have no appreciation of modern art to say that it is not art, and that nobody else should appreciate it.

Hon. Mr. Forsey: I did not say that.

• (1600)

Hon. Mr. Grosart: I should perhaps say to Senator Forsey that I did not say that he said it. I said it is easy to say that, and it is very often said.

I have had the honour of being chairman of the Board of Trustees of a quite distinguished art gallery. I found myself in much the same situation as Senator Forsey finds himself, and I resigned. I resigned that position because I felt I was not competent to judge the kind of acquisitions that gallery might make, or the kind of exhibitions that it might sponsor. As far as I was concerned, there probably was not a single picture that the director wished to put on exhibition that I could say I liked, or that, by my criterion of art, I would say was art.

I say this because Senator Forsey has used extreme language—chamber of horrors, rubbish ground, artistic practical jokers, creators of fun fairs, and so on—and I feel that such phrases are unfair. There are those who are experts in art; they change from generation to generation, and no generation yet has fully accepted the judgment of those who are regarded as the art critics of one particular generation.

I merely make that point so that it will be clear that the viewpoint—the extreme viewpoint, as I regard it—expressed by Senator Forsey is not necessarily the viewpoint of all members of the Senate, and particularly not necessarily the viewpoint of those who find it quite beyond their powers of appreciation to accept as art such sculptures as he referred to. I repeat that I share his complaint personally of the horror of the intestinal monument there. My own reaction to it is that it reminds me rather of the contents of an intestine rather than the intestine itself. I find it vulgar. I find it ugly.

I have spent a good deal of my life trying to understand art, collected art, and I have spent a good deal of time in developing a bibliography of art. I still do not understand art, but because I do not understand it I am not putting myself in the position of condemning it, or using the kind of language about the judgment of those who approve it, that was used by Senator Forsey.

Hon. Mr. Forsey: Would you put it outdoors or in?

Hon. Henry D. Hicks: Honourable senators, I agree generally with the views expressed by Senator Forsey and Senator Grosart, and I share the same attitude of repugnance towards the intestinal monstrosity to which they have made reference. Nevertheless, I rise to correct what I believe to be an error in the test that both have adopted in relation to a work of art; that is, "Could I have done it myself?" or, as Senator Forsey has said, "Could the average craftsman, with his hammer, saw, blowtorch, pot of glue, or what have you, have created it?" I think this is an error. This is not the test. The test surely is, "Could I myself, or could the average workman, have conceived of doing it; could the average person have arranged Senator Forsey's matchboxes in an artistic way and have chosen the colours?"

Quite seriously, the appreciation of all art is in large measure subjective, and the appreciation of modern art probably is more subjective than that of some other forms. I think that a large measure of tolerance must be permitted to those whose views differ from our own.

At the same time, the concern which Senator Forsey has expressed, as to the proper use of the Cartier Square area in the capital city of the nation, is a legitimate one. I should like to join with him in recording the interest of the Senate in the ultimate and proper disposition of this important piece of property in the centre of our city.

Hon. Mr. Buckwold: Honourable senators, I have just one comment, a word of consolation to Senator Forsey, that fortunately the world is not as bad as it is painted to be.

The Hon. the Speaker: Honourable senators, I understand that this inquiry has now been debated.

BUSINESS OF THE SENATE

Hon. Mr. Molson: Honourable senators, I wonder if I could ask the Leader of the Government whether he is prepared to let us into his secret plans for this chamber for the balance of today, and possibly tomorrow. I am led to believe that some change from the norm is contemplated, but I personally know nothing about it and I would be grateful for any information.

Hon. Mr. Martin: Honourable senators, I am glad Senator Molson asked that question. I intended saying something just before our adjournment. I have been discussing the plan with the Leader of the Opposition. I wish I knew more myself—

Hon. Mr. Flynn: You wish you knew more yourself?

Hon. Mr. Martin: —but one is dependent on the vagaries of the other place, over which none of us, of course, have control.

There are two measures that the government is anxious to see dealt with—the bill providing for increases in the old age security payments, and the bill providing for increases in veterans benefits. The June payment of the old age security benefits depends upon passage by Friday, as the house leader of the government in the other place indicated on Wednesday last.

If that objective is to be met—and that certainly is my objective and that of most senators, if not all—the quicker the bill gets here so that we can give it consideration, the better. The bill has been reported from committee. It is out of committee in the other place. I understand that some discussion has been ensuing since that time. I do not know what the present status of that discussion is, or what has prevented the other place from passing both the veterans benefits and the old age security bills.

I think the best thing for us to do now is to adjourn until six o'clock and at that time we may have some idea of how we shall proceed, although I do not know whether we will. That suggestion was made to me by the Leader of the Opposition, and I accept it as a constructive suggestion.

Hon. Mr. Molson: Honourable senators, may I ask whether, if we have to adjourn to six o'clock, we might be better off if we were to adjourn until 8 o'clock? We would then have time to deal with some measure, if one comes forward. If we come back at six o'clock, what do we do? Do we adjourn until eight?

Hon. Mr. Flynn: Until tomorrow.

Hon. Mr. Martin: Honourable senators, I would hope that we get the bill tonight. Frankly, I did think that it would be better to adjourn until eight o'clock. I discussed the matter with the Leader of the Opposition, and he thought that we would not know anything more at eight than at six.

Hon. Mr. Flynn: That is quite obvious.

Hon. Mr. Martin: I would prefer to return at eight, and if we get the bill we can proceed with it. We may know later, at around nine o'clock. The point is that I am ready to introduce this bill the moment it gets here. Whether the debate could proceed right away would depend on the disposition of those who normally would follow. In that way we would certainly save a day. I think that is desirable. I would be a little concerned that, if we got the bill tonight and were not here to deal with it, we would lose this additional day. I think it expedient that the debate proceed forthwith from the time the bill is presented and responded to.

However, I had acceded to the suggestion of the Leader of the Opposition that we should adjourn until six o'clock. I do not want to be unfaithful to that agreement. My own view was that it would be better to wait until eight o'clock. Perhaps the Leader of the Opposition could give us an indication of his position.

• (1610)

Hon. Mr. Flynn: It is not a question of being faithful to the suggestion I made. I am just trying to be sensible. What will we know at eight o'clock that we will not know at six o'clock? If we assemble at eight o'clock and they have not passed the bill, then when will they pass it? Should we stay here and wait minute by minute, half hour by half hour, until they have decided to move on the other side? I think that is insane. It is contrary to the dignity of this house. My honourable friend, Senator Molson, may come if he wishes, but I doubt that I will be here.

Hon. Mr. Molson: I do not quite understand what the honourable Leader of the Opposition means in that respect. I merely felt that if we adjourned until eight o'clock, and there is then legislation before us, we can deal with it. If there is not, then we can go home. I do not see any logic in saying that what we do not get at six o'clock we will not get at eight o'clock. That part does not make sense to me.

Hon. Mr. Flynn: There is no legislation before us. We are waiting for it. The House of Commons will adjourn at six o'clock. We will know then whether they have passed this bill. If they have not passed it at six o'clock, what more will we know by eight o'clock than we know at six o'clock?

Hon. Mr. Molson: Why will they adjourn at six o'clock?

Hon. Mr. Forsey: Honourable senators, may I ask a question? If we meet at six o'clock and find that they have passed the bill, are we going to go on without any opportunity of getting our supper?

Hon. Mr. Flynn: No, we can adjourn then until eight o'clock.

Hon. Mr. Forsey: In that case it seems to me that we will find the restaurant closed. I suppose we can walk down the hill.

Hon. Mr. Flynn: You misunderstand. I say that we will adjourn until six o'clock. If we come here at six o'clock and hear that the house has passed the bill, then we will adjourn until eight o'clock.

Hon. Mr. Forsey: I see. That is what I wanted to know.

Hon. Mr. Flynn: If they have not passed the bill, we will adjourn until tomorrow. That is my suggestion. I am not holding the government leader to any promise he made to me. I was just explaining a practical situation which, in my opinion, should be obvious to everyone.

Hon. Mr. Martin: If I understand you correctly, Senator Flynn, you are now suggesting that we adjourn until six o'clock. If we are not any further advanced at that time, we will then come back at eight o'clock.

Hon. Mr. Flynn: If they have not passed it, we will adjourn until tomorrow. If they have passed it, we will come back at eight o'clock.

Hon. Mr. Martin: As I understand your latter proposal, we will come back at eight o'clock. What I am anxious to avoid is losing tonight, if that bill can come to us tonight.

Hon. Mr. Flynn: I do not want to lose it one way or the other.

Hon. Mr. Martin: This bill provides for increases of pensions. It has to be passed by Friday, we are told by the President of the Privy Council. That being the case, I do not want to lose tonight, if we can get that bill. If the bill comes to us tonight, I would be prepared to go on with it,

but if the Leader of the Opposition, or whoever speaks on it, is not prepared to proceed right then, we will lose a day.

Hon. Mr. Flynn: What do you want me to do—agree to passing the bill before it reaches us?

Hon. Mr. Martin: I think in the circumstances, since the Leader of the Opposition leaves it open, we should adjourn until eight o'clock.

Hon. Mr. Grosart: May I ask if the Leader of the Government has any information as to whether the House of Commons may sit tonight?

Hon. Mr. Martin: Oh, yes. It is Tuesday night.

Hon. Mr. Flynn: It does sit at eight o'clock. But if it has not passed the bill by six o'clock, we will come back here at eight o'clock for nothing.

Hon. Mr. Martin: It gives us a chance to see what the situation is.

FISHERIES

BAN ON COMMERCIAL FISHING OF SALMON—ECONOMIC EFFECTS ON NEW BRUNSWICK—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Hon. Mr. Burchill, calling the attention of the Senate to the serious effects on the economy of New Brunswick and especially of Northern New Brunswick of the recently announced ban on the commercial fishing of salmon.

Hon. Chesley W. Carter: Honourable senators, there is no doubt that a crisis exists in the Atlantic salmon fishery. We are indebted to Senator Burchill for introducing his inquiry which enabled us to debate this question. Senator Burchill demonstrated the nature and extent of the crisis by quoting figures for the Miramichi River. He mentioned that in 1969 the take was 353,000 pounds and that by 1971 the take had been reduced to 175,000 pounds. Statistics for other rivers show a similar decline.

Last night Senator Molson, in an excellent and well-documented speech, confirmed Senator Burchill's statistics by quoting figures for the whole Atlantic area. For example, drift-netters alone were down from over one million pounds in 1967 to less than half a million pounds in 1970, and down to only 186,000 pounds in 1971. Senator Molson also quoted similar figures for rod fishermen.

It does not seem reasonable to attribute these drastic reductions to natural causes. It is extremely unlikely that natural predators are responsible for this serious decline. Seals and eels and other predatory types of fish have always existed. They could not possibly account for such a dramatic decline over such a short period of time—two to five years.

As Senator Molson pointed out, there has been an enormous increase in the catch by the Danes, the Faroese, and the Greenlanders over the same period of time. Their catch has gone up from 3.5 million pounds in 1967 to 4.7 million pounds in 1970, and again to 5.8 million pounds in 1971. This definitely points to them as the real cause. Certainly, those extra salmon did not come from Danish rivers. Therefore, they are harvesting wealth that is produced in other countries along the Atlantic seaboard, and they are reaping the benefit of expenditures made in these countries, and of the measures taken by these countries to conserve and develop the salmon supply. In this respect they are acting as international outlaws. But since the extra catch can be worth only a few million dollars it is difficult to understand the attitude of the Danes and their reluctance to do anything to remedy this situation. Actually, it is a case of being penny wise and pound foolish. The salmon they are taking are not fully grown. If they would permit them to return to their rivers and grow larger, then, even though they caught fewer in number, the actual weight and value of the catch would not be very much less.

Last night Senator Molson made a very strong case for restricting the catch of anglers rather than banning it altogether. However, I was rather surprised at his suggestion that banning the catch altogether would result in a layoff of river guardians. River guardians are not on the rivers just to keep watch on anglers. They are there to keep watch on poachers and on those who employ nets, gaffs, jiggers, and assorted other illegal methods of fishing. I should have thought that a ban would require more guardians rather than less, because I do not think aerial surveillance can be effective, especially at night.

• (1620)

Having said that, honourable senators, I want to direct my remarks to two specific points, the first of which is compensation. So far the basis of compensation has been described in only the vaguest of terms. Is it intended to be a once-only affair? Or is it intended that it shall be paid annually over the period the restrictions are in force?

I suppose the starting point should be to find a suitable definition of what constitutes a commercial salmon fisherman. This will not be easy. The salmon is a seasonal fish, one that provides lucrative returns. An all-round fisherman will take many kinds of fish depending upon which will bring him the greatest return at a particular time.

A cod fisherman, for example, who spends most of his time catching cod, will nevertheless take time out to catch lobster in season and then go on to catch salmon in season, or halibut, and later return to cod fishing when the other species are not available. There are many types of salmon fishermen. In my province there are many old-age pensioners who supplement their pensions by putting out their nets and catching salmon during the salmon season. The same is true of war veterans receiving war veterans allowances who are entitled to have casual earnings to supplement their income, and they do this by catching salmon in season.

Students in my province, where employment opportunities are few and far between, can often earn money during the salmon season by going home and using their nets. By so doing they frequently earn more than they could in any other way. The crews of the CNR ships who work for two weeks and then have two weeks off use their time off to catch salmon.

So, honourable senators, these are all different types of salmon fishermen. But the one I am most concerned with is the small inshore fisherman, the fisherman who fishes alone in a small boat, or with one other person—a son, a brother, or a relative—in a boat that is big enough only for two people.

I know many of these fishermen personally. They can be found in almost every fishing community in Newfoundland, and particularly along that part of the southwest coast affected by the present government ban. Most of these fishermen earn the major part of their income from salmon fishing, and this usually amounts to between $1,000 and $1,500 a year. During the rest of the year they may earn in addition between $500 and $1,000 from lobster, cod, herring, and other species combined. There is no way that these fishermen can be converted to some other means of livelihood, and this ban is going to be a very severe blow to them and their families. Their already meagre income is going to be cut in half, and in some cases to less than half, with all the attendant hardships that will follow. On top of that, since unemployment insurance contributions are based on earnings, their unemployment insurance benefits will be drastically reduced which will make this hardship even more severe.

To take care of these fishermen and to prevent them from suffering undue hardship as a result of government policy I suggest that first of all the commercial salmon fisherman be defined as a fisherman who during the past three years has derived at least one-third of his income from salmon fishing. Since all salmon caught are marketed fresh there should be no difficulty in securing the figures from the buyers who collect and market the salmon produced.

Next, I suggest that compensation should be based on actual earnings and should be paid annually, in monthly or quarterly payments, for a period of ten years, or for as long as the ban remains in effect, whichever period shall be the shorter. In addition I suggest that the government should find some means to ensure that the fisherman's seasonal unemployment benefits are maintained at the level attained before the ban went into effect.

So much for the human factor, honourable senators—the fishermen who will be so vitally affected. But what about the industry itself? What can be done to alleviate the present situation and minimize its effects? Last night Senator Rowe posed the question as to whether we should not be doing more scientific research. Certainly there is room for more research and, in particular, research aimed at solving specific problems and improving returns to the fishermen. But, in my opinion, it is even more important to apply the technology which we already have, or which is available from other countries. This is something we have not done, and are not doing now to any appreciable degree.

This morning I talked with Mr. Hans Petersen of Astra Chemicals in Toronto, who is an expert on salmon and whose speciality is the production of food for salmon hatcheries. He told me what was being done in Sweden.

Sweden is a country that has a great many rivers which are harnessed to produce hydro-electric power. Since the damming of these rivers was bound to interfere with the production of salmon, the government imposed upon the hydro-electric companies the obligation of taking steps to ensure that the salmon production of these rivers would not be impaired. As a result the hydro-electric companies have developed hatcheries in which they gather the salmon eggs from the spawning grounds in the rivers, hatch them, feed them for two years, and then send them out to sea. They have now reached the point where the success of this experiment is evident in that the number of salmon that come back to the river is the same as it was before the dams were constructed.

But, honourable senators, the Swedes have not stopped there. They have a fish which is called the wild brown trout. This fish is very similar to the salmon, and is exported as salmon to many countries in Europe. It is very difficult to tell the difference between this fish and salmon. They grow to approximately 20 pounds, some even to as great a weight as 30 pounds. However, the special characteristic of this fish is that it remains close to shore, or close to the mouth of a river. It does not wander very far out to sea where the Danes and Greenlanders are depleting our present stock. Certainly we should be taking similar steps to import that type of fish here in an endeavour to replenish the stocks in our rivers. We can also follow the Swedes' example with respect to our grilse because, like the brown trout in Sweden, they do not wander very far from land and they do not reach the high seas where they are caught in international waters.

• (1630)

These are matters upon which we should concentrate to offset the probable disaster which will overtake the Atlantic salmon fishery unless steps are taken at a very early date.

Last evening Senator Molson referred to Senator Tom Reid. I remember Senator Reid quite well, although I was a member of the other place at that time. I was a member of the fisheries committee, and he took a great interest in the proceedings of that committee. I think we need another Senator Reid to do for the Atlantic salmon fishery what he did for the Pacific salmon fishery.

On motion of Hon. Mr. McElman, debate adjourned.

NORTHWEST ATLANTIC FISHERIES

INTERNATIONAL COMMISSION MEETING IN WASHINGTON—MOTION CALLING ON NATIONS TO ENSURE SURVIVAL OF ATLANTIC SALMON

Leave having been given to revert to Notices of Motions:

Hon. G. Percival Burchill moved:

> That the Senate do join with the House of Commons in calling on all nations participating in the International Commission for Northwest Atlantic Fisheries Meeting to be held in Washington, D.C., in May, 1972, to agree that the survival of the Atlantic salmon as a species is of paramount concern and to take whatever steps are necessary to ensure such survival.

He said: Honourable senators, in connection with this motion, I would like to remind the house that the House of Commons unanimously adopted a similar resolution. You are aware that it is difficult, in these times, to obtain unanimous approval for anything, and I hope it will be unanimously passed by the Senate.

Hon. Mr. Hicks: This is a technical matter, but should not the motion refer to International Commission for the North Atlantic Fisheries? Is the honourable senator not referring to the ICNAF meeting in Washington?

Hon. Mr. Burchill: You may be right about that.

The Hon. the Speaker: The motion mentions "all nations participating in the International Commission for Northwest Atlantic Fisheries Meeting".

Hon. Mr. Molson: Honourable senators, I fully support this motion. I suspect that the members of this chamber do not wish me to say very much at this time about the salmon fishing industry, because they heard me speak on the matter yesterday. However, I think it was one year ago at a meeting of ICNAF where only three countries voted against this resolution. I cannot remember the precise number of countries involved, but I think it was 14. The vote was something like eleven for the resolution, to three against. I may be wrong because I am speaking from memory.

I am almost certain that the three in opposition were Denmark, West Germany, and Sweden. The Danes were opposed because they were the greatest beneficiary of the high seas fisheries. The West Germans were opposed for reasons which no one understood. The Swedes were opposed perhaps because of their close relationship with the Danes. Other nations, which constituted quite a mixed group, such as Russia, the United States, Canada, the United Kingdom and others, voted in favour of the resolution.

I share Senator Burchill's hope that the Canadian delegation may feel it has the unanimous support of both Houses of Parliament when they meet in Washington. I am very happy indeed to second the motion.

Motion agreed to.

• (1640)

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, I propose that the other items stand until later this day.

Hon. Mr. Flynn: I should like to make a correction regarding the item on which I am set down to speak. It will not stand until later this day; it will stand until tomorrow.

Hon. Mr. Martin: I move the adjournment.

The Hon. the Speaker: Is it agreed that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately 8 p.m.?

Hon. Mr. Flynn: No.

The Hon. the Speaker: I should like to have a formal motion by the Leader of the Government.

Hon. Mr. Flynn: I want the leader first to tell us what we are going to do at eight o'clock. There is nothing on the Order Paper that must proceed at eight o'clock. I think he will agree with me on that.

Hon. Mr. Martin: Senator Langlois moved the adjournment of Order No. 2.

Hon. Mr. Flynn: He moved it for the sake of moving it, on the order of the government leader. He does not intend to speak. So there is nothing to do at eight o'clock.

Hon. Mr. Martin: I do not understand Senator Flynn's attitude. I have suggested that we meet at eight o'clock. We will then know what progress has been made in the other place. If the Old Age Security bill has been passed and it can come to us this evening, I propose to introduce it at that time. However, we are not yet in a position to say whether the bill will come to us tonight. For that reason I am acting on the earlier suggestion of Senator Molson, that we adjourn until eight o'clock.

Hon. Mr. Flynn: On division.

The Hon. the Speaker: Is it agreed that the Senate do now adjourn during pleasure to reassemble at the call of the bell at approximately eight o'clock this evening?

Hon. Mr. Flynn: On division. We are coming here for nothing.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

The Hon. the Speaker: Orders of the Day.

Hon. Mr. Flynn: A point of order, Mr. Speaker. All of the Orders of the Day were called and they were all stood. I do not see how we can proceed this way.

The Hon. the Speaker: If I recall correctly when the Orders of the Day were called it was requested that they stand until later this day. This is why I am proceeding this way.

Hon. Mr. McDonald: Honourable senators, I wonder if I could ask at this point for leave to have Orders 2 to 9 inclusive stand.

Hon. Mr. Haig: Honourable senators, Senator McDonald has asked that Order No. 5 stand. There have been some very fine contributions to this debate. I should like to hear Senator Goldenberg speak on this subject, but from what I understand now he is not going to. I move that this debate be adjourned.

The Hon. the Speaker: Is Order No. 5 to stand?

Hon. Mr. Haig: No, I move the adjournment of the debate to Thursday next.

Hon. Mr. McDonald: Honourable senators, Order No. 5 stands adjourned in my name. If I understood my conversation with Senator Haig a few moments before we were called to order, he expressed a desire to close this debate on Thursday next. He informed me that Senator Goldenberg does not intend to speak on the subject, but there is a possibility that other senators may wish to speak between now and Thursday. For that reason I would request that Order No. 5 be left standing adjourned in my name. If no other honourable senator wishes to speak then, of course, Senator Haig will have the opportunity of closing the debate on Thursday next.

Hon. Mr. Haig: I regret that I do not agree with Senator McDonald, so I will move the adjournment of the debate until Thursday, May 18.

Hon. Mr. McDonald: Honourable senators, with all due respect, I suggest that the item is already adjourned in my name, and I wish to leave it that way.

Hon. Mr. Haig: Then I will move the adjournment of the debate.

Hon. Jacques Flynn: I rise on a point of order.

The Hon. the Speaker: I must confess that I would like to hear from some honourable senators on the matter.

Hon. Mr. Flynn: I suggest that we should not be here at all. That is my point of order.

Hon. Mr. Prowse: We are here to work.

Hon. Mr. Flynn: I acknowledge with pleasure that assistance of my good friend, Senator Prowse. I am convinced, Mr. Speaker, that we should not have been called at this time at all unless, of course, it is to help the government leader to get out of the deadend into which he brought us this afternoon, because Rule 45 of the Rules of the Senate provides:

> One day's notice shall be given . . . for an adjournment of the Senate, other than the ordinary daily adjournment under 46(r) or that under rules 13, 36(1), 46(f), 46(g).

I do not intend to deal with these matters at length, because I think we have lost enough time today dealing with them. It is obvious that when we adjourned this afternoon it was because we had exhausted the Orders of the Day. All the items were stood; nobody was willing to do anything. I therefore suggest to Your Honour that under our rules we were supposed to adjourn until tomorrow. I did not give my consent.

At that time, of course, I could not remember the exact wording of the rule, but I had an instinct that the government leader was wrong, as usual, and I registered my opposition to his motion to adjourn until later this day. When all the Orders of the Day have been called no other motion is in order than one to adjourn until the next day. Therefore, the motion of the government leader to adjourn until later this day could not be moved unless there was unanimous consent, and you will remember, Mr. Speaker, that I objected quite clearly. I think nobody will deny that.

The Hon. the Speaker: Might I intervene at this point to say that if I remember correctly the motion was carried on division. I remember the Leader of the Opposition saying, "On division."

Hon. Mr. Flynn: I agree with Your Honour that it was carried on division, but that does not mean it changes the rule. If under the rule such a motion could not be carried, except unanimously, then the motion could not be carried. My point of order is that under the circumstances in which the motion was made by the Leader of the Government—who never knew anything about the rules in the other place and does not know anything about the rules in this place—the Senate should have adjourned until tomorrow. I suggest we should now adjourn until tomorrow because of our rules, unless the government leader will say that we are not going to follow them. He often suggests that we should not, but I do not think he has any interest in doing so tonight.

The Hon. the Speaker: I think the honourable Senator McDonald made what is, in my view, tantamount to a motion when he asked that Orders 2 to 9 stand. Now this is the situation—

Hon. Mr. Haig: Honourable senators, I object to that.

[Hon. Mr. Haig.]

Hon. Mr. Smith: Give His Honour a chance to finish his sentence.

The Hon. the Speaker: This is the situation. I said that in my view this is tantamount to a motion that the remaining items on the Order Paper should stand. It might well be that some honourable senators may object to this. If there is objection then the usual procedure would follow, and I would have to call each item. I think that what we have before us now is a motion that Order No. 2 and the remaining items on the Order Paper stand.

• (2010)

Hon. Mr. Flynn: That is the practice, too.

Hon. Mr. McElman: Honourable senators, I believe the record will show that Senator Flynn's point would have some validity except for one thing that occurred this afternoon. I believe the record will show that, when it was requested that items 2 to 9 stand, it was clearly stated "until later this day."

Hon. Mr. McDonald: That is right.

Hon. Mr. McElman: The record will show that clearly. I heard it clearly.

Hon. Mr. Flynn: You are right.

Hon. Mr. McElman: The request was that they stand until later this day; they were not stood until tomorrow.

Hon. Mr. Flynn: I agree.

Hon. Mr. McElman: On that basis, these items are still before this house—that is, on the basis of the motion which was later moved, and carried on division.

Hon. Mr. Flynn: Yes.

Hon. Mr. McElman: I do not see where the question arises.

Hon. Mr. Flynn: My point—if I may agree with my honourable friend, because he is right in fact—is that such a motion would have required one day's notice.

Hon. Mr. Martin: Oh.

The Hon. the Speaker: The honourable Senator McDonald rose when the Orders of the Day were called, and we are faced now with what is tantamount to a motion that the Order No. 2 and the remaining items on the Order Paper stand. Is it agreed?

Hon. Mr. Flynn: Agreed.

Hon. Mr. Martin: Agreed.

Hon. Donald Cameron: Honourable senators, I wonder if I may ask leave to revert to Inquiries?

Hon. Mr. Flynn: No. I am sorry, but no. If my friend does not understand what it means, I will send him a drawing.

Hon. Mr. Martin: My friend has been drawing all day.

Hon. Mr. Flynn: No. The government leader has no right to speak.

Hon. Mr. McDonald: Yes, he has.

The Hon. the Speaker: I asked if there was unanimous consent, and the Leader of the Opposition said no.

I am wondering now if the Leader of the Government is rising on a point of order, or on a question of privilege.

Hon. Mr. Flynn: He does not know what the rule is.

Hon. Mr. Martin: Honourable senators, Senator Cameron has risen, and he has not even stated what he wishes to do.

Hon. Mr. Flynn: That is all right.

Hon. Mr. Martin: And before he opens his mouth, Mr. Speaker, the Leader of the Opposition says no.

Hon. Mr. Flynn: That is right.

Hon. Mr. Martin: Surely in a free assembly like this—

Hon. Mr. Flynn: Yes?

Hon. Mr. Martin: —any honourable senator has a right—

Hon. Mr. Flynn: To say no.

Hon. Mr. Martin: —at least to put his proposition before the Senate.

Hon. Mr. Flynn: I said no.

Hon. Mr. Martin: I would suggest to you, honourable senators, that it is not only implicit in the rules, but surely obligatory on all of us to give Senator Cameron the opportunity—

Hon. Mr. Flynn: —to say no.

Hon. Mr. Martin: —to make his request to this Senate—

Hon. Mr. Flynn: No.

Hon. Mr. Martin: —and there is nothing in this rule that prevents that being done. There is nothing in this rule that justifies the constant observation by the Leader of the Opposition of "no, no, no." I say that Senator Cameron has a right to ask this house—

Hon. Mr. Flynn: He has a right to ask, but I have a right to say no.

Hon. Mr. Martin: Would you mind? I ask, for the dignity of the Senate, that my honourable friend take his seat.

Hon. Mr. Flynn: I ask for the dignity of the Senate, too. The honourable member asked for leave, and I said no. There is no debate on whether I am right or wrong in saying no.

The Hon. the Speaker: I must remind honourable senators that the agenda has been exhausted. The honourable Senator Cameron has asked for unanimous consent. Unanimous consent has been refused. There is no explanation required under the rules. That is the situation, and this is the end of the sitting.

Hon. Mr. Martin: Honourable senators, I am going to ask the Leader of the Opposition, who has a great regard for this house—

Hon. Mr. Flynn: Yes, I have.

Hon. Mr. Martin: —if he will permit Senator Cameron—

Hon. Mr. Flynn: No, I will not.

Hon. Mr. Martin: —at least to state what he wishes to ask this house to do.

Hon. Mr. Flynn: No.

Hon. Mr. Martin: That being the case, the record will speak for itself. I move the adjournment of the house.

Hon. Mr. Flynn: That is what you should have done this afternoon.

The Senate adjourned until tomorrow at 2 p.m.

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Actuarial report on the state of the Royal Canadian Mounted Police Superannuation Account in the Consolidated Revenue Fund as at December 31, 1969, pursuant to section 25 of the Royal Canadian Mounted Police Superannuation Act, chapter R-11, R.S.C., 1970.

Copies of Ordinances, Chapters 10, 11 and 12, passed by the Council of the Northwest Territories at its 1972 First Session, pursuant to section 16(1) of the Northwest Territories Act, chapter N-22, R.S.C., 1970, together with copy of Order in Council P.C. 1972-991, dated May 9, 1972, approving same. (English text).

Copies of Ordinances passed by the Council of the Yukon Territory at its 1972 First Session, pursuant to section 20(1) of the Yukon Act, chapter Y-2, R.S.C., 1970, together with copy of Order in Council P.C. 1972-992, dated May 9, 1972, approving same. (English text).

THE ECONOMY

EFFECT OF HIGH RATE OF UNEMPLOYMENT AND INFLATION—DEBATE ADJOURNED

Hon. Frank C. Welch rose pursuant to notice:

That he will call the attention of the Senate to the high rate of unemployment and inflation and the way in which they presently affect the economy of Canada.

He said: Honourable senators, I wish to congratulate the Senate on its three new appointments made from Nova Scotia of good solid citizens who will make themselves heard in this chamber. I am also happy to see our friend from the other house join us here.

I would like to take some minutes of your time to speak on unemployment and inflation as it affects the economy of Canada. An old sage once said, "Whom the gods destroy, they first make mad". Honourable senators, I submit to you the proposition that the gods are conspiring to destroy the present government. To be sure, it has been afflicted with madness, a sort of madness which is extremely damaging to the Canadian taxpayer.

Never have normal peacetime expenditures been at such a high level, and never has the taxpayers' money been frittered away so uselessly. Never have such large sums of money been spent to generate so little productivity. Never have government spending efforts been so fragmented, so scatterbrained, so ill-conceived, so uncoordinated and lacking in planned purpose.

Surely one has only to point to the millions of dollars—$150 million—spent on the notorious Local Initiatives Program and the Opportunities for Youth Program, to prove this indictment, not to mention the millions of dollars of the taxpayers' money being wasted on half-baked programs, in support of regressive forms of art and culture, being doled out by Canada Council in a wholesale way to phoney students of the bizarre. This program is almost an exact parallel of the LIP program.

The government has adopted a Robin Hood policy in reverse at the expense of the ordinary wage earner.

Let us take a closer look at this $150 million expenditure referred to as the Local Initiatives Program. It was introduced too late. It did not become fully effective until the winter was almost over. The federal government failed to consult the provinces before launching the program. As a result LIP conflicted with and duplicated programs already in existence and sponsored by provincial governments. The program dealt directly with municipalities, when it is generally accepted that provincial governments are best equipped to do this effectively. LIP was a civil servant's delight—a mediocre idea wrapped up in miles and miles of red tape.

Finally, and most unfortunately, this program has not been of any significant help to those most in need of help, the hard-core unemployed. The reason for this is simple. Applying for a LIP grant was so complicated that poorly educated people did not have a snowball's chance in hell of being successful.

Those whom this program did benefit were the young, middle-class, well-educated dropouts from the Establishment who could draft their applications for grants in that brand of officialese upon which civil servants thrive. In other words, much of the money went and is still going to young and well-educated middle-class parasites who prefer to live off the taxpayer rather than compete for jobs on the open market. This is disgraceful.

The Trudeau government since it came to power has relied primarily on short-term, stop-gap measures for the creation of jobs. This is simply not satisfactory. A sound, effective, long-term growth strategy must be instituted. We must get out of the situation where all we can do is react to adverse conditions when they confront us. We must plan ahead imaginatively to ensure that such conditions no longer arise.

Finance Minister Turner was saying just recently that the private sector will have to be relied upon to create more "hard, not temporary jobs, that last and satisfy". It is encouraging to see that someone in the cabinet has rediscovered the private sector.

If this government had not looked upon business as an inexhaustible source of funds to finance all its harebrained welfare schemes; if this government had not subjected business to excessive taxation leaving so little for reinvestment and expansion; if this government had not deliberately slowed down the economy in its unimaginative quest to control inflation, we would not have had to learn to live with the twins of economic havoc, high inflation and higher unemployment.

I hope that the same man who realized that our economic ills will ultimately be solved by the private sector, possesses wisdom enough to realize that this cannot be achieved unless the private sector is freed, unless the burden of taxation is lessened. If more jobs are to be created, it means businesses will have to expand. To do this money will be required. Would it not be simpler and less expensive if, instead of taking it from them in taxes and giving it back in the form of grants, we simply allowed them to keep a larger share of their profits? That is, would we not encourage growth by diminishing corporate taxation?

According to the Prime Minister, people should not have to work if they do not want to. He should have asked the rest of us how we felt about supporting those who can work but will not. I agree with the Prime Minister that the aim of man in society should not simply be to work but to realize his own potential to the maximum.

There are two ways to do this without making of yourself a drain on society. You either work to acquire the wherewithal that will permit you, after work, to realize your potential to the full or you so choose your occupation in life that it becomes the vehicle for the realization of your potential. These are the only honourable courses that I can think of. I am surprised that the Prime Minister did not mention them when he was touring the Province of Quebec last month. Sure, it will make him popular with the young, fairly well-educated, middle-class dropouts to say that there is nothing wrong with a deliberate decision to collect unemployment insurance rather than to work. What he is saying is that they are entitled to a free ride in life. Well, I for one disagree. I am vehemently opposed to the Prime Minister of this country going around encouraging the development of social parasites. We can't afford free-trippers.

• (1410)

This country has too much left to achieve for us to sit back and waste time and mental effort contemplating how we will cope with the "leisure society". That is the sort of time and effort which would be better spent on trying to solve the problems of unemployment and inflation.

Governments, federal and provincial and municipal, are now expropriating nearly half the average earnings of the average taxpayer. Governments are creating far more problems than they solve.

The road this government is travelling is not calculated to diminish unemployment but to foster it by creating inflation; by promoting uncertainty and lack of confidence on the part of possible employers; by driving small business into bankruptcy; by its lack of perspective and evaluation of priorities; by permitting and encouraging bureaucracy to multiply; and by throttling the business growth of the nation with a plethora of legislation and regulations; paper forms, the paternalestic equipment of a welfare state, which destroy the very initiative and enterprise that alone can increase employment and enable us to compete in world markets.

This is a well-meaning but an incompetent, and perhaps even a disastrous, government. I believe that many of my honourable friends opposite agree, although their lips are sealed.

This brings to mind when the tax bill was before the Banking, Trade and Commerce Committee. The senators opposite were led to believe by the then Minister of Finance, Mr. Benson, that the amendments as recommended by the committee would have his attention later. My Liberal friends were surely as aware as the rest of us that Mr. Benson was seeking a lighter load and that there would probably be a change in portfolio. I wonder if they now think that the work and expense of the Banking, Trade and Commerce Committee will have any effect.

I recall the words of the late J. L. Ilsley, long-time Minister of Finance in the MacKenzie King government, who represented my own constituency. No word of censure against the Prime Minister escaped him when he held office. But in time he retired from government, as all men must do eventually, and thereafter wrote an introduction to a book of collected speeches by Angus L. Macdonald, former Premier of Nova Scotia and wartime Minister of National Defence for Naval Services in the King government.

In this introduction Ilsley wrote, referring to Macdonald's departure from the federal scene:

> In April 1945, when Germany was in collapse, Macdonald resigned from the government. It is not betraying any secret to say that he lost confidence in the Prime Minister, a feeling, it may be said, in which we all shared.

This was an admission that the then Prime Minister was far from adequate. Yet most of his faithful supporters went on supporting him for some years. I trust, honourable senators, that we do not make the same mistakes in 1972.

To return to my assertion that the government today is not only failing to do a good job but having an adverse effect on the economy, let me expand my thesis and accusation of incompetence.

I shall start with the problem of inflation, and I have three good reasons for doing so: Louis Rasminsky, Governor of the Bank of Canada; André Raynauld, Chairman of the Economic Council of Canada, and John Young, Chairman of the Prices and Incomes Commission. All three men have warned, recently, that our country is threatened by serious inflation.

The traditional explanation of the existence of a state of inflation was that it was due to "too much money chasing too few goods". This just does not account for the present surge of inflation. There is no lack of goods. There are surpluses of goods in every sector of the economy, particularly in agriculture, mineral production, paper and forestry products, goods of all kinds and description. Farm and factory curtail production but inflation goes merrily on.

Unquestionably then, inflation is due to too much paper money, and too much credit. Our whole financial structure is backed only by public confidence in the belief that our paper dollars will continue to buy what is considered to be a dollar's worth of goods and services. But in most parts of our economy that dollar now buys less and less, the worst feature of our peculiar type of inflation. We are suffering from an imbalance and distortion which creates undue hardships on some sections of the economy as

compared with other sections. The signs and portents indicate disaster unless the electorate can be made to realize what inflation is likely to do to us.

Inflation has and will continue to distort the structure of Canadian production. It has led to the artificial over-expansion of some industries at the expense of others. Capital has, as a result, been misapplied and wasted. We have reason to be mightily concerned about inflation. You cannot bring this problem to a smooth and gentle stop. Inflation almost inevitably leads to depression.

It is naïve to think that we can set goals, as some have suggested, whereby we would allow the economy to inflate to a certain level over a given period. The political pressure groups which have benefited from a given round of inflation will insist that it continue, and those who have not benefited will insist the next round be extended to include them.

Many politicians refuse to accept that the real causes of inflation are, most often, maladjustments in the wage-cost-price structure caused by the intervention of governments in the free market. It would be folly to suggest that such imbalances as exist among wages, costs, and prices can be set right by government-enforced price and wage controls. The cause of a problem cannot at the same time provide the solution. The most worth-while thing this government could do to help solve the problem of inflation would be to desist from its ham-handed interference in the economy. Because wages and prices are now chasing each other in a dizzy spiral which is already out of control in some sections of the economy, in many ways we are living in an Alice-in-Wonderland economy. We are living in a more affluent society year by year, but what sort of foundation has it?

Consider the fact, proclaimed in official circles, that minimum wage rates have to be raised, otherwise recipients of welfare will be getting more money than those who are working. The question we hear so often is, "Why work when welfare and unemployment insurance pays so well?"

• (1420)

Recently the daily press reported complaints from the executive secretary of the Saskatchewan Federation of Labour. Apparently the executive secretary is worried that the Opportunities for Youth Program might violate federal labour legislation because in some cases hourly rates may be below the minimum wage level, and the same may be true of the LIP Program.

Who will assure us, for instance—and here I mention one project out of many—that the 10 persons supposed to be employed in Hare Bay Non-Profit Improvement Association in northern Newfoundland, which received a grant of $19,721, averaged not less than the $1.75 per hour which federal labour legislation says they should get?

The same could be asked on behalf of the 28 young Christian Workers of Reserve in Nova Scotia who will share $58,000, and those engaged in the hundreds of similar projects across Canada.

Here is another one. It is called "Bullfrog Productions," $10,141, publishing five issues of a paper in comic book style, and directed towards youth and their problems. I question whether that will do an awful lot to help unemployment in Canada.

Here is another one: $13,190 for operation of a medical aid referral centre for persons in the Halifax-Dartmouth area who suspect they may have contracted venereal disease. Here is a whole book of them. There are thousands of them, involving millions of dollars spent all over Canada.

Much supervision is necessary to see that the law is adhered to. Since all costs relate back to wages and salaries, every single bit of cost, whether it relates to transportation, taxes, raw materials, sales and distribution, advertising, offices and factories—in short, all human effort connected with goods and services—has to be paid for. It eventually adds up to the selling price, and the selling price adds up to wages and salaries.

In spite of high food costs, high transportation costs, higher and higher taxes, primary agricultural products bring the farmers little if any more than they did 30 years ago. Potatoes are a staple agricultural crop in the Maritimes, but in spite of fantastically rising costs to the farmer, including taxes, machinery, gas and oil, machinery parts, as well as all other farm supplies, potatoes sell for about the same price as they did 30 years ago. The minimum wage control has added greatly to the farmers' cost. So, he is caught in the inflationary spiral and hurt far more than the pensioner on fixed income or the regular wage earner.

The farmer survives only because of his ability to borrow on his real estate which leads him deeper and deeper into debt. But many farmers are leaving the farms and joining the hordes of unemployed in towns and cities where welfare pays more than the farm income.

Many other forms of enterprise are in the same position; many aspects of forestry, fisheries, small business, that cannot pass on the added costs to the consumer are fast going to the wall financially. But these are basic, bedrock supporters of the economy, and malaise here must inevitably undermine the artificial expansion which has been built on an insecure foundation.

The truth is that the economy cannot adjust to the fast moving pace set by government. The government can spend $150 million on will-o'-the-wisp programs like LIP which are not geared to any possible constructive growth or development, and hundreds of millions of dollars on Opportunities for Youth Programs which make no lasting contribution to the economy with projects like, to give an example, the "Crazy Daze Summer Program," to cost $9,925 to give eleven jobs in Guelph, Ontario. What will they do next?

These make-work programs to counter unemployment are a drain on the economy, not a shot in the arm. The government has recourse to these handouts so that the national statistics will not reveal how bad the unemployment problem really is. And what will happen when these jobs have run out? At $100 a week, the 90,000 jobs created by the $150 million of federal funds through the Local Initiatives Program will last only about four months each.

What happens when the $150 million, all of it non-productive, is spent? Back to the people for more money so that those who make a career of living off such grants can

develop their potential to the maximum, as the Prime Minister would say, without having to support themselves through real honest-to-God work. There must be something wrong with a nation which spends 25 cents of the federal tax dollar on health and welfare, an expenditure that is supposed to be matched by the provinces. So we spend about $7,000 million or $7 billion, not counting the money spent for dentistry, drugs, hearing aids, and other special services. Are we an unusually unhealthy people or are we wasting money? No wonder it takes 15 cents of each tax dollar to pay the interest on the rapidly growing public debt.

This year the government announced its intention to borrow another $2 billion "to cover an anticipated $600 million deficit in 1971-72, and $1.3 billion net cash requirements for non-budgetary investments". This is from the federal publication, "How Your Tax Dollar is Spent". Nothing could be more inflationary. I claim it is the government which bears the greatest responsibility for the growing inflation which besets us.

Honourable senators, this is not just my opinion. I refer you to the much publicized pronouncements of Mr. Hellyer and Mr. Kierans, both people with inside information and strongly critical of government policies. I refer you also to the growing chorus of criticism from outstanding businessmen and tax experts across Canada. But I should like to refer particularly to statements made by the President of the Royal Bank of Canada at the recent annual general meeting of that company. In his opening address to the shareholders of the bank, Mr. W. Earle McLaughlin said:

> As we approached the close of 1971, Canada could best be likened to a sailing ship caught in the cross currents and buffeted by the shifting winds of two major storms converging on her position . . .
>
> We were in unchartered waters and unable to assess the relative strength and duration of the storm . . .
>
> One of the storms, born in our country and growing in intensity to gale force, was made up of many squalls of uncertain velocity and duration. I refer to the plethora of legislation; pending legislation, and threatened legislation, with its confusing and uncertain effects on the course of Canadian business.

• (1430)

Towards the end of Mr. McLaughlin's speech he asks:

> What do we want? Certainly the first thing we want is a consistent policy. My own view is that we should be wary about restrictions on foreign investments, because laws in other countries may unfortunately do the job for us, and in a rather rough sort of way. This year we are faced with the problem also of a number of bills being re-introduced into Parliament in an amended form. I refer in particular to the Competition Bill and the Labour Bill. Both of these bills in their original form had some clauses with serious implications for the future of Canadian business.

Mr. McLaughlin goes on to deplore the increasing tendency of government to turn problems over to boards. He said, referring to the Gray Report:

> Unfortunately, boards and screening boards make decisions more by their own ad hoc judgments than by the rule of law. This is not conducive to good planning in business.
>
> Under all these circumstances it is difficult to predict at this time how 1972 will turn out, as I indicated earlier most of the indices, with the exception of unemployment, seem to be pointing in a favourable direction, which encourages the business economists to be just optimistic about the outlook for the year. But I find many businessmen, the ones who make the plans that result in future growth and employment, do not share this optimism. They are unwilling to believe the indicators—and this disbelief often does not seem to be affected even when their own companies' operating results are satisfactory.
>
> The devil here is uncertainty—uncertainty concerning the new tax laws and regulations; uncertainty concerning the new legislation affecting business, and uncertainty concerning the discount proposals in the United States and any other steps that country might take to improve its balance of payments position.
>
> Uncertainty in general is not new to business. But what is new, and what business cannot absorb readily, is the addition of arbitrary government decisions to the ordinary forces of the market place.

Honourable senators, I suggest that there will never be full employment again as long as welfare policies offer more attractive alternatives. Not that I am opposing welfare policies. Obviously our economy can well afford to see that every person is fed and clothed and housed. But there must be a better way of ensuring this than the present bureaucratic, inefficient and wasteful method which has developed, like Topsy, from the old system of municipal poor relief.

Since the malady we seem to be suffering from has been brought on, at least partly, by over-production, perhaps the time has come to implement a universal cost-of-living subsidy to replace welfare in all its forms. The Old Age Pension legislation, which many people forget was initiated by the Bennett government, has proven to be so successful that perhaps the principle can be made universal. The cost of administration could certainly be minimized. The more welfare programs we have, the more bureaucrats we need and the more our tax moneys will have to be spent on nonproductive labour. If we were to simplify the system used to help those in need, we could do more for them and make our help really worth while.

I would hasten to point out that while I favour replacing the present hodgepodge of federal government relief programs of one sort or another by a universal cost-of-living subsidy, I would certainly have no sympathy for any guaranteed annual income if it were to be provided in addition to rather than instead of present federal welfare measures.

To recapitulate, honourable senators, I think this government has not dealt properly with our two major problems of unemployment and inflation. Unemployment is still at much too high a rate. The money government spends on stop-gap measures to cover up its inability to make any headway against unemployment is wasted, and this waste, along with government waste in countless other areas, is productive of inflation. It is all a vicious

circle. Government uses the wrong tools to fight inflation and so creates unemployment. Government cannot seem to find a lasting solution to unemployment, so it spends fantastic sums on nonsolutions and creates further inflation. The circle could be broken if this government were to learn to leave well enough alone. Stop trying to direct and control every aspect of the economy. Free the market. Put an end to the taxes that strangulate and the regulations that frustrate.

This government has delegated to itself far too much power over the economy. Not until such time as it divests itself of much of this power of interference in the economy will we again witness the kind of enthusiasm and initiative in the private sector which is required to ensure a healthy productive economy.

Hon. Sydney L. Buckwold: Honourable senators, I do not think that a blatant politically biased attack such as we have just heard on the government of the country can go unanswered, if even by only a few remarks on my part.

When I first got into the Senate I was told that it would not necessarily be too political, but I must say that in many years I have not heard as serious an indictment made in such an irresponsible way as that just made by the honourable Senator Welch.

Hon. Mr. Choquette: You watch the election vote. You will see how the party lines are drawn.

Hon. Mr. Buckwold: All I can say is that I hope the speech delivered today will be the platform of the Conservative Party of Canada. If that happens, I can assure you it would make it one of the easiest elections for the government that is presently in power.

Hon. Mr. Phillips: You are going to need a lot of help.

Hon. Mr. Buckwold: It is impossible to go back to the kind of naïve thinking that we have heard expressed, the misstatement of fact, the distortion of programs, the absolute denigration of the young people of this country. I was amazed at the kind of thinking—I would use the adjective "fuzzy" thinking—that we had presented to us today by the honourable senator on a so-called discussion of the problems of inflation and unemployment.

Hon. Mr. Walker: You will make a good hatchetman before you are here long.

Hon. Mr. Buckwold: I do not really intend to do that, senator. I just think that anybody here would not lightly sit back and listen to what has been said.

Hon. Mr. Walker: That is just your opinion.

Hon. Mr. Buckwold: We will start with our young people. We heard an indictment of the Local Initiatives Program; we heard that it was absolutely useless. I do not think the party opposite really believes that. Certainly there are some weaknesses, but it was a great start. I can speak with some experience, as mayor of a community that was involved in the Local Initiatives Program. I think the distinguished senator who has just spoken must realize that they did not benefit only the so-called parasites to whom he referred. There were many very worthy people, young and old, employed because the Local Initiatives Program involved a whole series of building programs; it was not just concerned with the kind of program in which surveys were made, as the honourable senator seemed to think, where people knocked on doors or helped those who suffer from social diseases. The fact is that in my community and going right across the country there were many projects, employing thousands of people, old and young, experienced and inexperienced, which made a significant contribution to the employment picture during this very difficult winter.

• (1440)

When we get into the Opportunities for Youth programs, again I would like to have the remarks of the senator used as a platform for the Conservative Party in trying to attract the votes of these wonderful young people we have in Canada. I know that even the rabid Tory partisans across the country would agree that this has generally been a beneficial program.

The surveys made independently—granted as usual that there are always some aspects of the program that have been abused on occasion—show that, generally speaking, by far the great majority were satisfactory projects. I personally hope it will continue for many years to come as a means of providing employment in a useful way while giving us social advantages for the young people of the country.

So I have to say that I refuse to accept the proposition that these projects were for the "parasites of society". These same "parasites" the senator referred to are going to be the leaders of this country before too many years.

Hon. Mr. Welch: And they will be voters in the next election.

Hon. Mr. Buckwold: Yes, that is right, they will be voters. And the kind of stuff we heard today is not the kind of thing that is likely to attract the voters of this country.

Hon. Mr. Welch: Is not that the reason why you are courting them? Answer that one.

Hon. Mr. Buckwold: We are courting the young people of Canada because we feel that there is a future for them in this country. We want to provide employment and every opportunity for them. The LIP and the Opportunities for Youth programs have all been very significant factors.

If I could just move along to the general tenor of the speech, that the government has not done anything except create unemployment and create inflation, I would say this. When the present Government of Canada attempted to control inflation, the first to criticize were those on the opposite benches. They said that because the government recognized the dangers of inflation and tried to do something about it, this terrible situation we have now was created. You hear this shouted from the rooftops.

No one gives the government credit for doing exactly what the senator mentioned in reading from what the Governor of the Bank of Canada stated, namely, that inflation was a significant problem. Certainly it is, and it is continuing to be, and the government is concerned about it. The question, of course, always is: How do you cool off the economy and still not create unemployment?

This whole concept of what the government can do to provide jobs—and I am sure it will be debated here for some months—has to be looked at in perspective. Why does the honourable senator not quote labour statistics on

employment as at April 30? Why does he not say that Canada, with all its young people coming into the labour force, has had the largest labour force increase of any western nation? Why does he not indicate that as at the end of April our labour force increased by 281,000 over the previous year at the same date? Why does he not indicate that the Government of Canada, through its economic and fiscal programs, has provided an increase of 348,000 new jobs this year as against last year at April 30? In other words, approximately 350,000 new jobs have been created in the labour force as a result of the enlightened policies of the Trudeau government. That is a record we are proud of. Why does not the honourable senator look at the facts and give the government credit for the statistics that we have just heard? More new jobs were created in Canada in the last five years than in any of the combined most prosperous non-communist countries of Europe.

Hon. Mr. Welch: There is more unemployment too. Go the rest of the way. You want me to go the rest of the way; you go the rest of the way.

Hon. Mr. Buckwold: There is not more unemployment—

Hon. Mr. Welch: Oh, yes.

Hon. Mr. Buckwold: —in relation to the number of people coming on to the labour force. This is where that fuzzy thinking hits. In relation to the number of people coming into the labour force, I think the record of the government is very good indeed.

All I say is that we can point to an increase in one year of 348,000 in the number of people employed, and there is no nation in the western world which has been able to do this.

The distinguished Senator Walker will remember the time of the old National Productivity Council when we were told—I was a member of that body—that the objective in Canada was to create one million new jobs over five years. One million new jobs! And whoever looked at that said, "Isn't that a fantastic objective? Do you think Canada could ever do it?"

These are what the economic Caesars, as they have been referred to by the distinguished senator, have succeeded in doing—creating that many jobs. In one year 350,000 jobs were created as a result of the buoyancy in the economy brought about by government action.

It is granted that unemployment is a major problem, but let us be reasonable and fair. If we have this upsurge in the number of people looking for jobs, then certainly I am thankful that we have been able to provide the number of new jobs we have. Think what kind of a mess we would have been in had we not had the policy of the present government which created this kind of employment. So when I look at the whole presentation of the senator, I find he spoke against every form of welfare program except that of old age pensions. That is the one he says a Conservative government was responsible for. Well, all the more power to him.

The fact is that we are looking at a whole new world, and we might as well learn to live with it and learn to live in it. I am sure the young people of Canada today, those who in the not too distant future will be taking our places, would not agree with views that have been expressed by the senator. He says he would like to see cost-of-living payments provided and yet he is dead set against a guaranteed annual wage. He says he is worried that people will become parasites because they are being put on welfare. The surveys show that people still want to work, even though they may be on welfare now. I am quite sure that Senator Croll and all the members of the Committee on Poverty will agree that relatively few want to live on welfare, that if they can find the jobs they are usually willing to work.

Hon. Mr. Flynn: It is pretty exaggerated.

Hon. Mr. Buckwold: I should like to say a few more words in conclusion and then senators can try to tear my remarks to pieces. I am very proud of the fact that the government in power today has been able to create employment opportunities, has been able to say to these young people, including university students, that there are programs which will keep them socially occupied in a beneficial way.

I would hope to see an expansion of these programs and I think it is going to become, whatever the political make-up of the federal government, more and more a way of occupying young people who are joining the labour force. I hope it will be expanded into other areas for those people who otherwise cannot find gainful employment.

I apologize if I have been too critical, but I must admit that it was impossible to sit back and listen to the kind of statements that were made and not respond to them.

Hon. Mr. Welch: Honourable senators, the truth always hurts. When I speak I like to bring people to their feet because they cannot stand the truth. Senator Buckwold said he would like to see everyone have jobs and everyone busy. But the Prime Minister goes to Quebec and tells them that they do not have to work, that if they are paying unemployment insurance they do not have to work. He made that statement. Do you know what it costs under these programs to provide jobs? It costs $1,600 per job. What kind of government is that? How long do the taxpayers have to suffer if such things as these keep happening?

• (1450)

An Hon. Senator: Order.

Hon. Mr. Welch: I can give you numerous examples of this that would put you to shame.

The Hon. the Speaker: I understood Senator Welch was asking a question. Does Senator Phillips now wish to ask a question?

Hon. Orville H. Phillips: Honourable senators, I am not sure whether Senator Welch was asking questions or replying to some very unfair, distorted accusations made by Senator Buckwold.

Senator Buckwold rose with great gusto, wanting to say that this house was proud of Prime Minister Trudeau. I want to assure you that this house joins most of Canada in rejecting this government.

Hon. Mr. Benidickson: This house?

Hon. Mr. Phillips: This chamber, yes—if you were honest and admitted it.

Hon. Mr. Benidickson: Are you suggesting I am not?

Hon. Mr. Phillips: You can keep him, if you want him. I don't want him.

Hon. Mr. Benidickson: Are you making the imputation that I am not honest in my conduct here?

Hon. Mr. Choquette: Just Liberal.

Hon. Mr. Phillips: Just Liberal.

Hon. Mr. Benidickson: I would certainly reject any such imputation.

Hon. Mr. Phillips: Well, accusations that are hurled across the chamber to this side can hardly go unanswered. The idea that all programs mentioned by Senator Welch were opposed by this side is completely erroneous. He was criticizing the inefficiency of the various programs. Certainly, any one of you knows that there have been inefficiencies. Why have you had the resignations from the Opportunities for Youth program? There was too much political interference. That is why. The right projects were not selected.

Now, is it wrong to say that? Are you against the young people of Canada because you criticize the officials in charge of the program? Even Senator Buckwold can make that distinction.

I know, for example, of one rejected application that was made by a very sincere group of students from the faculty of dentistry of the University of Toronto. They had been assured in February that there was a 70 per cent chance that their program would be approved. On the basis of that they spent a great deal of time in planning it. They even presented the original program at the Ontario Dental Convention.

There were 14 students involved. They planned to move out, working in teams of two, to reach 36,000 people. Moreover, those 14 students had gone to various dental supply companies and collected over $25,000 worth of supplies as donations towards this program. The program was not accepted. The application was rejected. The department said there were "more worthy projects." There may have been, but when you look at the list of programs it must cause you to wonder, just as we wonder.

I am sure that a great many people, not only elderly people but young people, Senator Buckwold, are beginning to question the wisdom of some of these programs that have been approved.

Mention was made of the LIP program. Well, to a small village in the province which I represent I suggested that they make an effort to establish and build a medical centre or a medical clinic for that area. They have had difficulty in keeping a doctor in that village. That was one reason for suggesting a medical clinic. But that was not one of the buildings that were built, about which you boasted so much. They rejected that building, but they gave a sum of money to clean up the cemetery which at that time was covered by five feet of snow.

If you can, tell me which is the more beneficial—cleaning up a cemetery covered by five feet of snow or building a medical centre. If you tell me that a clean-up is more beneficial, then I must ask you where your reasoning is.

I hate to be direct; I hate to be personal, but when you speak of fuzzy thinking, you must remember, honourable Senator Buckwold, that the fuzzy thinking is not all on this side. There is a tremendous amount of it over there, and you are a classic example.

[Hon. Mr. Benidickson.]

Hon. Mr. Cook: That is complimentary.

Hon. Mr. Langlois: Unless other honourable senators wish to address the house on this subject at this time, I would move the adjournment of the debate.

Hon. Mr. Choquette: You are going to put the finishing touch on the whole thing.

On motion of Hon. Mr. Langlois, debate adjourned.

PEOPLE'S REPUBLIC OF CHINA

TRADE AND GOODWILL MISSION OF CANADIAN SENATORS AND BUSINESSMEN—DEBATE ADJOURNED

Hon. Donald Cameron rose pursuant to notice:

> That he will call the attention of the Senate to the recent trade and goodwill mission of a group of Canadian Senators and businessmen to the People's Republic of China.

He said: Honourable senators, as this is the first opportunity I have had since the new members were appointed to this house, I should like to join with those who have preceded me in extending to them a very cordial welcome. It is a pleasure to welcome the Honourable George McIlraith, who has had a distinguished career in the other house lasting, I believe, some 32 years. It would be our hope that he could be a member of this house for the same period of time, and, except for the age ruling, I am sure he would be. It is also a pleasure to welcome Dr. Henry Hicks, who has been a colleague of mine in education for a long time. He has made a distinguished contribution to his country.

We are happy to see that another lady has been appointed to the Senate. I refer to Mrs. Norrie, whom I have not yet had the pleasure of meeting. I am sure she will enjoy her stay in this chamber. I should also like to extend a cordial welcome to Mr. Graham.

While extending congratulations I should also mention Senator Connolly (Ottawa West). I wonder how many members of the Senate have read the last issue of the *Commonwealth Parliamentary Journal* in which there is one of the most complete and effective articles on the Canadian Senate that I have ever seen. That article was written by our friend Senator Connolly.

Hon. Senators: Hear, hear.

Hon. Mr. Cameron: There have been some very good books and other articles written on the Senate, but this one is up-to-date and complete and I would certainly recommend it to those who have not yet read it.

I have just one word for my friend Senator Welch. I think all that is the matter is that he left his rose-coloured glasses at home, and put on a pair of dark glasses by mistake.

Hon. Mr. Connolly (Ottawa West): Blue ones.

Hon. Mr. Cameron: Yes, they may be coloured blue, but I do not think the economy is really all that bad.

The purpose of this inquiry is to speak on the Seventh Annual Trade and Goodwill Mission to the People's

Republic of China. By way of introduction may I give the origin of this series of trade and goodwill missions? It goes back to the Commonwealth Parliamentary Association meeting in 1963 to which I had the privilege of leading the Canadian delegation. In the course of that visit I had the opportunity of travelling over Malaysia, Thailand, and part of Southeast Asia.

On the one hand I was impressed by the tremendous need for managerial skills, and on the other hand I was impressed by the tremendous gap in our knowledge of the conditions in those countries. As a result, I extended at that time an invitation to the Government of Malaysia to send students to the Banff School of Advanced Management, at which I had some responsibility.

• (1500)

Since 1965 we have held 10 per cent of our places for foreign students and offshore students from all over the world, but mainly from the developing countries of southeast Asia. Those students have created such an interest on the part of Canadians in seeing those countries that in 1966 a group of the alumni of the Banff School of Advanced Management chartered a jet plane and visited Japan and China. I had the privilege of leading that delegation on what was my first visit to the People's Republic of China. In 1967 a similar group went to Poland, Russia and Czechoslovakia, in 1968 to the Caribbean, and in 1969 to Greece, Turkey and Israel. In 1970 we intended to visit northern Europe, but because of the economic conditions in general and the slowdown we decided to postpone that trip for a year.

A year ago last July, I made application to the Embassy of the People's Republic of China, and through the China Council for the Promotion of International Trade and the China Travel Service, to make a tour of China in 1972. In October permission was granted for 25 people to go. The reason that the number was not larger was that they were so swamped with applications for visas from 500,000 people that they simply could not accommodate them. At any rate, the invitation was extended to us, and 24 Canadians spent three weeks in China.

Prior to going I drafted what I considered to be a useful program outlining what we might see, based upon my own visit there in 1966. I submitted it to the embassy and I must say that the new ambassador, Mr. Yao Kuang, a youthful and bright man, was most enthusiastic about it, as were the chargé d'affaires, Mr. Hsu Chung-fu and Mr. Tsung, the first secretary. They felt that we might find it difficult to carry out the itinerary that I had prepared, but they did not think they could improve upon it. At this time I should mention that Mr. John Fraser, a son of the distinguished Canadian writer, Blair Fraser, and who is attached to our embassy in Peking, was most helpful in setting up the program.

Eventually, honourable senators, we started on our journey and arrived first of all in Japan where we spent a short time. Here I must pay tribute to our foreign service officers because on many occasions they get a lot of brickbats and not as many bouquets as they deserve. Our ambassador and his staff made arrangements for us to meet with the Director General of Foreign Trade in the Japanese Foreign Ministry, who agreed to meet us despite the fact that there was a crisis in the Diet at that time. They provided us with not only a great deal of background information on Japanese-Canadian imports and exports, but they gave us an assessment of what we might look to in the future. In this regard I should say there is an interesting change in emphasis taking place in southeast Asia today, a change of emphasis that is vitally important to every Canadian. I mention that because many of us are inclined to forget that Canada is a Pacific power just as much as she is an Atlantic power.

The role of Japan in Asia during the next 15 years will be very different from the role she has played during the last 15 years. That country is now beginning to come out from under the American umbrella, and is very likely to plough a more independent furrow in the years to come.

Our ambassador Mr. Moran, said to us, "When your delegation meets Mr. Hirahara, the Director General of Foreign Trade, be sure to ask him questions of substance." As it happened Mr. Hirahara had to leave to attend a cabinet meeting, but he left his two assistants, Mr. Ikeda and Mr. Ogura, to carry on the discussion with us. After the discussion was over they went to Mr. Burney of our embassy staff and said, "I thought you told us the Canadians would not be asking any tough questions. In fact they asked nothing else". So Mr. Moran must have been satisfied that our questions were in fact questions of substance.

From Tokyo we went on to Hong Kong where Mr. R. L. Wales, the High Commissioner, and the staff of our office there provided us with a useful background briefing as to the trade situation between Canada and Hong Kong. It happens that last year they imported from Canada goods to the value of $56.2 million while we bought from them goods to the value of $69.5 million which, as can be readily seen, means there was a trade deficit.

Hong Kong is an interesting place, and it provides a vital connection between the People's Republic of China and the rest of the world. Knowledgeable foreign service officers are predicting that there will be a great change in the role of Hong Kong in the next 10 to 15 years. Until recently Hong Kong has been our sole means of contact with the People's Republic of China and it has been the Chinese window on the western world and, indeed, a very useful one. However, the expectation now is that within 10 years the emphasis will change and Shanghai will become the major point of entry for China, and Hong Kong will gradually decrease in importance because much of the activity now going on there will be diverted to Shanghai.

Let me point out, incidentally, that Canada has a great stake in the situation. I say this because of our leadership in the establishment of diplomatic relations with the People's Republic of China, which I consider to have been a very wise move. As a result, Canada stands today at a very high point among the Chinese, and everywhere the welcome mat is out for Canadians. I can assure any honourable senator who may have the opportunity of going to China that it would be well worth-while to go there because it is one of the most fascinating countries in the world. It is also a country which is going to play an increasingly important role in world affairs because it is on the verge of becoming one of the superpowers.

At any event, after a thorough background briefing from our foreign service officers we went into China. The

only way of doing that, of course, is to go by train from Hong Kong to the border, a distance of about 30 miles, and then to walk across the border, which is about 150 yards across a little stream of the size of the Gatineau River in the dry season.

We noticed some interesting psychological changes as soon as we crossed the border. When we went there in 1966, just prior to the cultural revolution, there was a great deal of tension and stiffness on the part of the Chinese. This time we found the stiffness on the British side of the border. It was the British soldiers and officers who said, "No, you cannot take pictures here," and, "You cannot do this," and, "You cannot do that". They were quite curt and rather gruff. But once across the border we found that the Chinese were smiling and friendly. They said to us, "I suppose you could not take pictures there. Well, here you can take pictures anywhere you like." This was the attitude we found everywhere in China. There was a tremendous warmth in their welcome to Canadians. I might say that while the Chinese appreciate what has been done by Canada at the diplomatic and official levels, a great deal of this warmth and welcome resulted from the work of one single Canadian, a man who is unique in the place he occupies in the hearts of the Chinese. I refer, of course, to Dr. Norman Bethune who has become a real folk-hero, honoured in song and story by the Chinese people. As you are aware, he was with Chairman Mao and the Red Army on the long march. He was a good surgeon, and he performed a tremendous service for China in his selfless, highly efficient way. Chinese people from little children up know of and admire Dr. Bethune for his outstanding public service. While many Chinese may not know where Toronto is, they certainly know where Gravenhurst is.

• (1510)

In that connection, I suggest to the Leader of the Government that it would serve a useful purpose if the National and Historic Sites Branch recognized this outstanding Canadian who has made such a great contribution to China and, consequently, to Canada.

I understand that when Chinese people come to Canada, including the ping-pong players, they go to Gravenhurst.

Honourable senators, I will not give you a travelogue on China. But I do wish to say a word or two about the physical aspects of that country. Geographically, China is the number three country in the world in terms of size. Canada is larger by approximately 200,000 square miles. Canada's actual size is 3,851,000 square miles while China's is 3,691,000 square miles. Of course, we are all small compared with Russia's 8 million square miles. China's population is between 700 million and 800 million. There is a tremendous population discrepancy between our two countries. There was also a great discrepancy between the population figures which were quoted for China, for which we endeavoured to find an answer. During a session with Mr. Chou Mo-jo, the chairman of the National Congress, we endeavoured to establish the population of China, and we found the discrepancy was rather confusing. Some people said the population was 700 million while others insisted it was 750 million, and some even said 800 million. Even in a country as populous as China, it is hard to lose 50 million people.

China's number three man, a very distinguished scholar, Mr. Chou Mo-jo, who is a very young 78 and who would pass for one of Canada's younger senators, indicated that the last census was in 1964 and he did not feel it was a very good census. They did not know what the population was. So if you can lose 50 million people, two and a half times the population of Canada, it shows that you can get along even if the statistics are not accurate.

After we crossed the border on our way to Canton we transferred from the Hong Kong train to the Chinese train. The distance from the border at Shumchun is about 125 miles. The train from Hong Kong to the border point was not clean, was not fast, and was crowded. You could hardly move in it. When we crossed the border our train was spotlessly clean. There were girls whisking the seats every half hour or so, and serving pots of delightful Chinese tea. This was a more efficient train, a better riding train, than either the *Canadian* or the *Super-Continental.* They are very proud of their railroads, and they have reason to be.

When we arrived in Canton we immediately began our program of sightseeing. First on the agenda was a visit to the famous Sun Yat Sen Hospital and Medical School. This medical school is in a city of 4,500,000 people. The man who spoke to us on behalf of the university was not a medical person. He was a civilian, the chairman of the People's Revolutionary Committee. If you should ever go to China, whether you visit a high school, university, factory, or whatever it may be, the person with whom you will speak first will be the chairman of the People's Revolutionary Committee. This man appeared to be around 45 years of age. For over an hour he reviewed the medical teaching program, and a history of their medical training program. He spoke through an interpreter without a note, and it was a logical, precise, masterly presentation. I asked him what his background was and he indicated that three years previously he had been in the People's Liberation Army, which they refer to as P.L.A. In the army he worked in an administrative capacity, and he was a natural born administrator. He indicated that the training period for doctors had been reduced from six to three years. With him were three doctors—Dr. Hoa, a thoracic surgeon trained in Boston, Dr. Wang, who trained in Moscow and who spoke both English and Russian, and Dr. Wu. These men interjected comments occasionally. There was a lively question and answer period. I thought our questions were answered very responsively.

While in the medical school we were fortunate to witness two operations using the acupuncture technique of anesthesia. I do not know how much you may have read about this technique. I am sure you will hear more about it in the future. We were taken out of the briefing room and served tea with a young lady, Miss Wong Kwang-lee, 27 years of age, an office worker. She was sitting in her pyjamas. She had a large goiter on her throat. We talked with her for a time and then, while we were taken upstairs to the operating theatre, she went to another room and was placed on the operating table, and we witnessed the nearest thing to magic that I have ever seen. They placed two acupuncture needles into her, one between the thumb

and the forefinger and the other on the left side of her calf. The doctors placed a sheet over her chin, bared her chest and swabbed it. All the while she was waving and smiling at us. They made a slit in her throat, and in about 20 minutes removed a goiter the size of a large mandarin orange. They sutured her up, swabbed her throat, put a gown on her, and she sat up and talked to the doctors. The doctor tapped her on the back, and she walked into the room where we had met her half an hour before, and we talked to her again.

This was a relatively simple operation. While it was proceeding there was a second operation next door, and we went to the second operating theatre. This operation had been in process for about two hours. They were removing a brain tumour. It seemed almost uncanny to be able to watch the man's face. This man, 35 years of age, had paralysis of his extremities and was subject to extreme convulsions. We could see his face and the whole side of his head. We saw the brain move, and the doctors pushing it around in a most irreverent fashion. I am not aware if Mr. Ma Chi got up and walked around afterwards—I would doubt it—but nevertheless he was conscious and eating a slice of orange. It was incredible to watch the normal reactions of this man as his face was reflected in a mirror, while on the other side of the sheet we could see half his skull removed leaving the brain exposed, while at the same time the patient was conscious, eating slices of orange. It was incredible to see the two things—the normal reaction of a man obviously not in pain and, at the same time, his whole brain exposed as the doctors probed and cut.

• (1520)

As a member of our group we had Dr. Tanner, a well-known surgeon from Whitehorse. The Chinese doctors invited him to go into the operating theatres, not only in Canton but also in Peking.

The Chinese are the first to admit that they are not quite sure what happens, but they know it works. The acupuncture technique is thousands of years old. At one time they used stones instead of needles as a means of deadening pain. They were not used for operations, but to deaden pain. In recent years the acupuncture technique has been developed for operations. Over 200,000 operations using this technique have been performed in the last few years.

We saw on film—and I am hoping that we may get some of these films in Canada—an operation to remove a tumour on the lung. This operation was incredible to see. It seemed as though they were slicing a piece of meat. It was incredible to see the thoracic region exposed, to see the doctors pushing the heart and lungs around, yet with the patient fully conscious. It was also incredible to see the patient get up from the table and walk away. We also saw on film the birth of a baby by caesarean section.

As a result of this experience, we are suggesting that an exchange of medical personnel between Canada and China at an early date might be one of the useful things that could be promoted at the official level.

Honourable senators will recall that last fall a team of surgeons from China visited McGill, Ottawa, Western Ontario and Toronto university medical schools. More of such exchange visits are needed. I will come back to this matter later.

Once this part of the program was completed, we were concerned about seeing more of the country. I do not propose to deal with the topic of factory work in Canton. Canton is a large industrial city of 4,500,000 people. It is a very busy place, and is the site of the Canton Export Commodities Fair.

We flew from Canton to Shanghai, a flight of two hours, in a Russian-made Illushyn plane. It is a very good aircraft, something like our Vanguard only a little bigger and much more powerful.

The approaches to Shanghai resemble the delta of the Mississippi, with thousands of canals, rivers and flat land surrounding this city of 10 million people. There are six million people in the city proper and four million in the suburbs. Because of the western concessions of years ago, Shanghai is the most westernized city in China.

We were met at the airport as usual by the Chairman of the People's Revolutionary Committee and the China International Travel Service. We were accommodated in what is known as the Peace Hotel on the famous Shanghai Bund. The hotel was built in 1911 by Sir Phillip Sassoon, the Jewish banker. Although the hotel is comfortable, the plumbing and heating is of 1911 vintage. There is nothing wrong with the hotel, but it is dated. I can assure anyone who wishes to visit China that the hotels are comfortable, transportation is very good, and the service is excellent. No one need have any qualms about that.

While in Shanghai we were taken to see some of the factories. Prior to that we were taken to see the permanent industrial exhibition, a huge exhibition area having 10,000 permanent exhibits, ranging from small scalpels for the medical profession, huge generators, large enough to light the City of Shanghai, to tremendous 6,000-ton hydraulic presses, and similar heavy equipment. The most significant thing about the exhibition was the fact that the electric generators, hydraulic presses, radio broadcasting and other equipment, had all been designed and built by the people in the individual factories.

The Chinese will tell you, "We know that we could make faster progress if we brought in western technology. But after our experience with the Russians in 1962, when they withdrew all their technicians and left us on our own, we decided that never again would we be dependent on any outside power. It may take us longer, but we will develop our own resources for our own people."

That is very significant, because the rate of progress, particularly in technology, from the time when I was first there in 1966 until my second visit this year, is quite fantastic. This fact has wide ranging implications for the whole western world.

One factory visited was a plastic factory making fountain pens. The factory had been in existence since 1931. At that time it was very small, but it now employs 1,300 people and makes 24 million fountain pens a year. The kind of fountain pen being produced is an ink pen, similar to types seen in Canada. I said to one of their representatives, "Why should you be making an obsolete pen? Ninety-five per cent of the market in Canada and the United States is for ballpoint pens." He replied, "Well, this is the market in China. We are making for the Chinese market, and we have other factories that make ballpoint pens."

I do not wish to bore honourable senators with details, but the factory which we visited contained a mixture of processes. Some were obsolete hand processes, others were semi-automated processes, and others were automatic processes. The semi-automatic and automatic processes made use of the type of equipment that might have been used in Canada in 1945 or 1946. It was outdated. The quality of the pen being produced was not as good as one might expect, and the price was fairly high. The retail price was about $5, and one could buy a much better pen in Canada for less.

We then visited an electronics factory which made meter equipment, everything from water meters to electric meters which record changes in materials, and measure such things as the stresses in the Nanking Bridge. There was sophisticated equipment of every kind and description, and again there was a mixture of old and modern equipment. However, everywhere could be seen highly sophisticated new equipment made and designed by a team in that particular factory. This was true of every factory we visited in China. The significant point here is that these people are building up a cadre of highly skilled designers and technicians who can do anything. No doubt that is why they confounded our American expert friends by developing their own nuclear devices when the Americans said they could not do it. They are doing a great deal more than we have been given to understand. It is important to recognize that the Chinese people are making progress.

Our group also visited a workers' village. Housing in China is something that might depress Canadians. Despite improvements they still have a long way to go, but the measure of improvement in the period between 1966 and 1972 has been simply fantastic.

For the benefit of honourable senators, I will describe one of the workers' villages that we saw in Nanking. It is called the Yangtse River Road Workers' Village, having a population of 68,000. It is divided into eight sub-villages, having a total of 15,000 households. Those households are, in the main, three-storey flats. Some are two-storey and some one-storey, but most are three-storey. A family might have two rooms. Seldom does a family have its own bathroom, but there will be one down the corridor. Rents range from three yuan, which is about 50 or 55 cents, to 10 yuan per month—a variation of from about $1.50 to $5 per month.

• (1530)

The average factory worker's salary was 71 yuan per month, and ranged from 45 yuan for an apprentice to 115 or 120 yuan for a skilled worker. Women retired at the age of 50 and men at the age of 55. The men could stay on if they wished to the age of 60, and they then retired on a 70 per cent pension.

The thing that intrigued me most of all was to go into a retired pensioner's home. We had tea in one pensioner's home. This home, by Canadian standards, is very limited. It is one room, 10 by 12 feet with a tiled floor. It is simply furnished with no overly padded furniture, a few hard chairs, four or five chests, a clock, a radio, a table, and spotlessly clean. We asked this couple who had retired at the same time what they did before. The wife who was about 60, and two or three years older than her husband, told us she had been a silk worker, taking the silk from the cocoon and preparing it to go into the spinning apparatus. The husband had been a factory worker. We asked them what type of living conditions they had before the revolution in 1949. The woman was the more talkative of the two, and she told us that they had lived in a mud-floored hut with a thatched roof about 8 feet by 10 feet. The roof was so low that they could not stand up in it, and every time it rained the roof leaked. They moved into this flat, as they called it, three years ago. There were three flats in a wing, which was three storeys high. Most of the retired people were couples, although there were two or three younger couples in a wing in some cases, but it was not a crowded situation.

In addition to their flat they had a kitchen which served three families. Each flat had its own stove and its own toilet, and there was a common bathroom. That seems, as I say, quite primitive according to our standards, but when you consider these people had come from a mud-floored hut with a roof that leaked every time it rained you can see why they were enthusiastic about where they were living and, of course, they retired on 70 per cent of their former wages.

In addition to this, each of these sub-villages had a well-stocked department store with well-displayed materials and goods which were quite cheap. There was also a cinema and a park complete with swimming pool and places for the kiddies to play, and lots of recreational facilities and benches. It is a most attractive park. In fact, I do not think you will find any park in Ottawa that is any better. These things explain the enthusiasm that we found everywhere we visited.

Before leaving Nanking we visited the place where Dr. Sun Yat Sen is buried. I have visited the memorial to Mahatma Gandhi in New Delhi, the Invalides in Paris, the Washington Monument, as well as other great monuments throughout the world, but they are all dwarfed by the tremendous monument to Dr. Sun Yat Sen. This monument is built on the side of a high mountain overlooking the valley of the Yangtse River. While looking at this monument we wondered what type of monument they will build to Chairman Mao. We are going to see the father of all national monuments when Chairman Mao dies, because if they build such a monument for Dr. Sun Yat Sen what will they do for Chairman Mao?

We left Nanking by train and made the 17-hour journey to Peking. It was a very comfortable journey. Two couples shared a compartment, and we had our own sitting room and a dining room. It was a very fine and comfortable 17-hour journey. On arrival in Peking we were met by our ambassador and by the chairman of the People's Revolutionary Committee. We went first for a briefing session with Mr. Collins at the chancery, and immediately following that we visited a factory.

I am not going to go into all that again except to say this factory had over 7,000 employees. It was a machine tool factory, one of those combining the new and the old. The last unit had been built in 1971 and was not yet fully occupied. It was bright, airy, and clean, and the type of machinery was very sophisticated and modern with some old machines, particularly lathes. A lathe lasts a long time, so they kept their old lathes. There were modern

hydraulic presses and sophisticated radio equipment in abundance. Around this factory were workers' homes of the three, four and five-storey flat variety.

There has been a tremendous change in Peking as far as housing and a general upgrading of the whole city is concerned. It is a city of 7,500,000 people. We expressed a wish to visit the University of Peking. When I was in Peking in 1966 there were 50 universities and colleges, and I was anxious to know what happened to them during the cultural revolution. We got to the University of Peking and were received by the Chairman of the Peoples' Revolutionary Committee, Professor Chou Pei-Yuan who is a graduate of the University of Chicago where he spent four years. In addition he spent two years doing graduate work at Cal Tech, and another two years employed at Cal Tech. He spoke excellent English. We asked him how many universities and colleges there were in Peking today and the effect on them of the cultural revolution. He told us there were 12 universities and colleges in Peking in 1972. In 1966 the registration in the University of Peking was 10,000 students. Today it is 3,000. You must remember that the university was closed for three years, and in the rationalization that has taken place since the cultural revolution and Chairman Mao's emphasis on combining theory and practice many colleges and institutes have been relocated.

Professor Chou told us that there was an institute of petroleum geology in Peking, but since the oil fields are a long way from Peking that institute was moved out to the oil fields in order to combine theory and practice for the students. He also told us there was an institute of agriculture and an institute of forestry in Peking and again, in order to combine theory and practice for the students, both of these institutes were moved out to the agricultural and forestry areas respectively. In other words, there was a process of decentralizing most of these institutes of higher education.

If I size up the situation correctly, while there have been many benefits from the cultural revolution I feel that the universities probably will take a longer time to recover from the excesses of the cultural revolution than any other aspect of Chinese life. For example, today, through the leadership of Chou En-lai the Chinese are expanding their embassy and consular services all over the world. It is difficult enough to find English-speaking embassy and consular personnel, but the Chinese must find such personnel who speak Russian, Japanese, German, and a host of other languages. It is a tremendous gap to fill, and they have three and a half to four years to make up. As it is, it takes about four years to train a person for that work, so it will be some time before they catch up. We visited one of the language-training schools, and they do a good job but, if my judgment is correct in this area, the effects of the cultural revolution at the university level will take longer to overcome than in almost any other phase of life.

In the field of medicine they have cut the program from six years to three years. We asked them how they did it, and we were told that in examining their program in medicine they found that the students were getting pharmacology in four different courses. In other words, there was duplication and repetition. They told us they had cut all that out and, in addition, they start them in the hospitals at a younger age as interns. Now, what about a specialist? Well, you do not get a specialist degree in three years. To become a specialist in any area you must go back for another four years, so to be a specialist you must put in seven or eight years. One of the things wrong with universities in our country, and with the education system, is that we too have duplication and repetition here and there. We could cut out a lot of our material as the Chinese have done.

Hon. Mr. Macdonald: I wonder if the honourable senator would permit a question at this point? When he mentions the university term, does he mean a term of six months, eight months, a year, or what?

Hon. Mr. Cameron: It is a term of eleven months, so they have compacted the time as well. Of course, our programs are about ten months now.

They have combined the idea of theory and practice throughout their whole schedule. For example, in Peking we were in a middle school. The students spent two afternoons a week in the labs, during which they started with the raw materials from which they made fountain pen cases on a jig. One girl poured in the metal powder or plastic into a heated jig, and the material came out as a case. The next girl put on a band to hold it where the cap is threaded on. The next girl put in a rubber ink tube, and another put a nib on, and so it went on, even to the testing. For testing, there were ten students at one table writing and testing the pens. They tested not one but six or seven pens at a time. The idea behind all this was that the students going into a factory lab like that would know what the industrial process was all about, which seemed to me to make a lot of sense.

• (1540)

Some very interesting things happened in Peking. I had met Chou En-lai in New Delhi in 1956. Recognizing how busy the man is, I asked if there was a chance that I might be able to call and pay my respects, but I was told that there was not much chance. I was also told that we could not see the University of Peking. I am sure that Senator Haig and Senator Walker will be interested to learn that in the library at the University of Peking there are 2.7 million books. Honourable senators will be horrified when I tell them that the stacks for them are all wooden—wooden stacks for 2.7 million books! I would have a nightmare every night in case it burned. In the library you will find the classics in English, French, German, Hindi, Japanese, and so on. Senator Walker will be interested to know that in that library I found a copy of Peter Newman's *Renegade in Power*. I have not seen Mr. Diefenbaker since my return but I will tell him about it.

Hon. Mr. Isnor: How did their production compare?

Hon. Mr. Cameron: Do you mean factory production?

Hon. Mr. Isnor: Yes.

Hon. Mr. Cameron: I would say that factory production is not as high as ours on a per capita basis, because they are using in some cases hand labour, and in some cases automatic and semi-automatic equipment, even sophisticated modern equipment. However, production is high.

In each of the factories we asked about absenteeism and they said they did not know the word; they said there was

no absenteeism. They were shocked when we told them that on a Monday morning in the Ford factory in Detroit it is not uncommon to find that 25 per cent of the workers do not turn up. They said they do not have that problem; that the people believe in what they are doing, and think they are working for themselves. This is the motivation they have.

Hon. Mrs. Quart: Do they have coffee breaks?

Hon. Mr. Cameron: They have tea breaks, but they do not take the time for it to which we are accustomed. Tea is served at the bench, and they take it there.

Hon. Mr. Connolly (Ottawa West): What is the percentage of women employed?

Hon. Mr. Cameron: In some factories 50 per cent of the workers are women. It is interesting to note that in one large factory in Peking women were operating 100-ton cranes. Cranes were operated by 17- and 18-year old girls. A hydraulic press was being operated by a 17-year old girl, who was operating a console almost as one would play a piano. We were told that the girls were better than men at operating this huge equipment, that they are a little more sensitive in the way they can manipulate the cranes to move the steel ingots, and so on. Women are on an equal basis in the army, in the factories, in the home—everywhere. In fact, I think the women run the place. The Chinese grandmother always did, but they do it in a different way now.

Two significant things happened while we were in Peking. I have said that we hoped we could see the University of Peking and meet the Chancellor. I had hoped to see Chou En-lai, but they said they did not think we could. I was told, incidentally, that he gets from about two to four hours sleep at night. He is an amazing man.

One of the weaknesses of the present system in China is that the leadership is old. Chairman Mao is in his 79th year. Chou Mo-Jo is 78, although he does not look anything like that. Chou En-lai is 73. The whole line of people we know of are all in the senior age bracket. However, they told us again and again that they have lots of competent young people coming along.

In talking to our ambassador about seeing the Vice Foreign Minister I was told there was no chance of doing so. To my surprise, at 10 o'clock one night I received a telephone call saying that Comrade Chou Mo-Jo, the Vice Chairman of the National People's Congress and also Chairman of the National Academy of Sciences, would see the Canadian parliamentarians at 10 o'clock the following morning. We had made some other arrangements, but obviously we cancelled them.

That morning we were taken into the Pinetree Room, which is a beautiful room in the People's Congress Hall. I am sure Senator Benidickson and Senator Fergusson will agree with me when I say, without any fear of contradiction, that the interior of the People's Congress Hall is amongst the finest parliamentary buildings in the world—and I have seen most of them. It is a magnificent place. We were there received by this courtly Chinese gentleman, Chou Mo-Jo, who served the inevitable pots of green tea. He had his staff with him, and we spent two hours in a question and answer session. One interesting thing he said was, "If some of you have brought your tape recorders you may leave them on." Even in some Canadian embassies you cannot do that.

What was significant was the warmth of the welcome to Canadians. We spent an hour with Mr. Li Chang, the Vice Minister of Foreign Trade, who is a much younger man than Mr. Chou, and again the discussion was on potential trade between Canada and China. We asked about the wheat contract, and he said, "Don't worry. The wheat contract will be continued. We are concerned that Canadians should buy more from us." We replied that we were there to buy things. We had with us representatives of the forest industries, retail industries, medicine, and manufacturers of such items as trailers, leather goods, and so on.

One of the members of our delegation, Sandy Nicholson, who used to be in the other place, is sitting in the gallery now. He had met Urban Guichon of Calgary, who has a chain of leather goods stores, and who had a $600 hearing aid that went on the blink in Shanghai. In that city he was able to get another hearing aid for $29, which he wore all the time he was there. He said it worked as well as his $600 one. Sandy Nicholson, who was representing the Co-operative Organization of Saskatchewan, said he would like to make a contract to buy hearing aids for the medical service in Saskatchewan. These are the kinds of negotiations that can develop out of these private trade and goodwill missions.

Another big wholesaler from Vancouver was looking for textiles—cloths, tablecloths, linen, and so on—and found he could get them for about one-third of what he had to pay over here. He was trying to make a contract. He may run into trouble with quotas; I do not know. Another man bought 300 dozen leather belts made from the hide of water buffalo. I cite these merely as examples.

We were trying to sell them sulphur. We told them that we have got sulphur coming out of our ears in Calgary, and would like to sell them some. However, they said they did not need it; they did not need the kind of fertilizer for which this sulphur is used at the present time. That is the kind of exchange that went on.

In Canton we visited the Canton Commodities Fair, which I had visited in 1966. It is a nine-storey building, and at that time about 4½ floors of it were filled with exhibits of very high quality, but there was plenty of room for more. This time every nook and cranny of the nine floors of that building were filled. In addition, another building nearby of about the same size was filled with arts and crafts. When I got into that building I made it my business to go through every floor and see every exhibit that they had. At first I thought there were 20 exhibits for every one they had in 1966, but my original estimate was far too low.

• (1550)

Honourable senators, I am reminded that on the night before we left Canton, the chairman of the fair gave a banquet for the Canadians. I said to Mr. Peng Chin-Po, the chairman, "You probably have 100 entries for every one you had in 1956." He said, "We have more." They were selling like mad. The Japanese were there in swarms. I asked how many Americans there were, and he said there were less than eight. I know that the Americans were

trying to get in there, but they were not particularly welcome.

Incidentally, I will tell you of an incident that took place in the conversation with Chou Mo-Jo. You must remember that he is the number three man in China. While talking about China-American relations, he said, "Our government gave a lot of consideration as to whether we would extend an invitation to President Nixon to visit China, and we came to the conclusion that, in the kind of world we are living in, great powers must talk to each other, regardless of whether they agree or not. So we extended the invitation to President Nixon. He came here and we had very full discussions, and we think this was a good initiative on both sides—good policy." He also said, and this is a direct quote, "We can only judge President Nixon by his actions, and his actions are in direct contradiction to his words."

I have another quote related to that one. One of our members who comes from Whitehorse has a big department store and also an agency for sporting rifles in the whole of western British Columbia and Alberta. He was trying to buy sporting rifles. I did not know that the Chinese make one of the best sporting rifles in the world. When we were talking to Chou Mo-Jo, I brought up the matter of Canadians purchasing sporting rifles, and I jokingly said, "How would you like to throw in some of those A-27s the North Vietnamese are using?" He smiled in a very gentle way, and said, "We do not sell rifles; we give them to our friends." I never met a man who could make significant statements more succinctly than Mr. Chou Mo-Jo.

As I say, at the Canton Trade Fair, which is a tremendous exhibition, Canadians were there in substantial numbers. The quality and sophistication of the goods was a real eye opener to us. It was remarkable to see the progress in six years. I do not intend to go into this any more, but I want to say that, having had the opportunity to visit China six years ago, I deliberately went back to some of the same places that I had visited at that time. I paid a visit to a rural commune that I had visited in 1966. Again I saw the same raising of standards in housing and in every aspect of life all over China.

Honourable senators, in conclusion, let me emphasize the following points. First, I would say that Canada's status among the Chinese is about the highest, certainly among the western nations. There is a tremendous reservoir of good will, friendliness, and warmth there. None of us will ever forget the warmth among the children as we experienced it in the schools, and Senator Fergusson will be speaking to you about that.

Secondly, we could certainly benefit by an exchange of medical personnel, particularly in the fields of acupuncture anaesthesia and in herbal medicine. Most Canadian universities today are doing some teaching about this kind of medicine. They are sending people away to study it. But there is a tremendous amount of exploration to be done yet on herbal medicine and the acupuncture technique of anaesthesia which is almost a revolution in medical thinking and medical training.

The Chinese are the first to admit that they do not understand it all, but it is leading to a whole new field in the study of the brain, one of the neglected areas in our medical schools. That is not because we have not wanted to study the brain, but because it is so sensitive and so delicate that we have been afraid to go into it in depth. They are now exploring it. I suggest we should encourage this exploration and exchange medical personnel. We should encourage also the exchange of teachers. We could learn some things from them and they, I think, could learn some things from us.

I am sure it will be very beneficial if we can arrange an exchange of oil field personnel, and I think that here we can give them more than they can give us. We can easily arrange it because I know that all the oil people in the west would welcome a delegation of Chinese oil men.

We could go through the whole spectrum of technology, and we might be able to offer the Chinese skilled technical people and consultants, but we must never forget what these people replied when we asked them, "How would you like to have some Canadian technologists in some of these areas?" They said, "We do not want your technologists. Send us your blueprints. We will not accept outside help. We may progress more slowly by doing everything ourselves, but we will be more self-reliant by depending on our own resources."

Honourable senators, I would welcome the opportunity to tell you a little bit more about this mission, but time will not permit. I intend to prepare a more detailed report on it. I have about fifty pages written, and I will have another twenty-five. I do not know who will publish it, if anyone will, but it will tell the story of a remarkable regeneration of a very great country.

It seems to me that it is important to Canada that more Canadians go and see for themselves. That was the purpose of this educational adventure—because that is what it was. I have seen these things for myself, but I think it is important that more people should go and see for themselves. I know that some people may say, "Senator Cameron has been brainwashed," but if a group of Canadian businessmen, of free enterprise types, were to go over and see for themselves what has happened, they could not help but be impressed.

We have a lot to learn from the Asian peoples, and not just from the Chinese, because the same thing is going to happen in India, though it will take a longer time; and the same thing will happen in Indonesia, and in the whole of southeast Asia.

Today, three out of four people are living in that part of the world. We have to understand that. The markets are there. We have got to explore them. But in terms of common sense, in terms of international understanding, we must expand our contacts with these people, and Canadians will find the hand of friendship everywhere.

On motion of Hon. Mrs. Fergusson, debate adjourned.

BUSINESS OF THE SENATE

Hon. Mr. Langlois: Honourable senators, with leave, I beg to revert to Notices of Motions.

Hon. Mr. Flynn: No.

The Hon. the Speaker: Honourable senators, we will now proceed with motions. First, the motion standing in the name of honourable Senator Croll.

Hon. Mr. Langlois: Stand.

Hon. Mr. Martin: Honourable senators, may I just say this. The Leader of the Opposition does not agree that we revert to Notices of Motions. Is that what I understand? I ask you, is it required that we—

Hon. Mr. Flynn: Yes, unanimous consent is required to change the Orders of the Day.

Hon. Mr. Martin: But you do not object to that?

Hon. Mr. Flynn: I object.

Hon. Mr. Langlois: We are not changing the Orders of the Day; we are reverting.

Hon. Mr. Flynn: I am objecting.

The Hon. the Speaker: May I remind honourable senators that the original suggestion by honourable Senator Langlois was that, by leave, we revert to Notices of Motions. There was a dissenting voice, so we have to proceed according to the Order Paper.

FISHERIES

BAN ON COMMERCIAL FISHING OF SALMON—ECONOMIC EFFECTS ON NEW BRUNSWICK—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of Hon. Mr. Burchill, calling the attention of the Senate to the serious effects on the economy of New Brunswick and especially of Northern New Brunswick of the recently announced ban on the commercial fishing of salmon.

Hon. Charles McElman: Honourable senators, I believe that Senator Burchill has done a service in bringing this question before the house.

• (1600)

It is not my intention to delay you too long, but I do wish to commend Senator Burchill and Senator Molson for the excellent speeches they have made and for the information they have placed before this house and the public. It is a veritable fund of information concerning the Atlantic salmon and the fact that this magnificent fish is currently in danger of becoming extinct.

I believe this house acted wisely yesterday in giving unanimous approval to the resolution proposed by Senator Burchill and supported by Senator Molson. The representatives of Canada who will very shortly be attending the meetings of ICNAF in Washington on the northwest Atlantic fishery will be strengthened in their proposals to that body by the resolution that was unanimously approved by our two Houses of Parliament.

One can hope that Canada will be able on this occasion to convince all members of ICNAF of the immediate danger of extinction to the species, a danger that has been caused primarily by the exploitation of the salmon feeding waters of Greenland.

Other honourable senators have dealt chapter and verse with the details of that exploitation. Repetition would serve little purpose at this time. It is sufficient to state that this high seas fishery was exploited to a total of 5.8 million pounds of salmon in 1971 where only five years ago there was no commercial catch of salmon.

The effect upon the migratory runs of mature salmon to North America, the Atlantic coast and the spawning rivers and streams has been drastic indeed. If it is continued, extinction of the species would seem to be assured. Surely men and nations of reason—which certainly include the Danes, the Faroese, the Norwegians and the West Germans—will accept an immediate and total ban of this high seas fishery in order that the superb fish may return to its spawning waters and propagate the species to its former teeming millions in the streams of Atlantic North America, the British Isles and western Europe.

This is but one aspect of the problem. If we are to be totally honest and practical, honourable senators, we must realize that discontinuance of the Greenland fishery is but one of the steps to be taken if we are to protect the Atlantic salmon. That essential step requires international agreement and co-operation, factors which are not totally within our control and not always easily come by.

There are, however, other essential remedial steps and measures for the preservation of this magnificent fish that are totally within our own jurisdiction and control. We must recognize them and we must take action without further delay.

I believe we are fortunate at this particular time to have as Minister of the Environment responsible for Fisheries a man of the calibre of the Honourable Jack Davis. He has a brilliant mind. He is capable of assessing the facts of the situation, if he is given all the facts. He has the foresight and determination to reach policy decisions that are beneficial to the environment and to Canadians generally, whether or not they are received in a popular fashion by the public. He also has the intestinal fortitude to withstand bad publicity and emotional pressures, if he knows that his decisions are right for the environment and for the public. I repeat that we are fortunate that he is the minister at this time.

Canada is trying very hard to overcome the effects of decades of carelessness in the use of its land, water, air and natural resources. Let me tell you what has taken place in the past 20 to 25 years to some of the most beautiful rivers in the world. We all know that some of those rivers were along the Atlantic seaboard of the New England states. These rivers have been turned into open sewers by industry, with the tacit approval of government. They were once teeming with salmon and trout and were the boyhood swimming holes of thousands of Americans now living, whose sons and daughters and grandsons and granddaughters have no access to them because of the extreme pollution.

It seems that we have not learned much by their experience. New Brunswick has been known as the home of salmon and trout for its thousands of pure water streams and scores of fast-moving rivers, but it is becoming a diminishing retreat for those species. Except for five war years, I have lived my lifetime in Fredericton on the banks of the Saint John River. The Saint John River has often been referred to as the Rhine of America, a reference that was made because of its great beauty and its resemblance to the Rhine. In more recent years, however,

its resemblance to the Rhine has been more associated with pollution by industry and municipal waste. The Saint John River, where I learned to swim and spent many happy hours of my youth and which was the principal domestic water supply for the capital city of Fredericton such a very few years ago, is now unfit even for swimming.

As I drove to the airport this week I traversed the highway along this river for a distance of about eight miles. The river is now in spring flood. As I drove along I saw that it was literally covered with great patches of white foam to a depth of a foot or so. This was the result of up-river industrial wastes which had been fluffed up by their passage through the Mactacquac hydro-electric dam about 16 miles above the city.

Honourable senators, in my own time the Saint John River was, if not the best, one of the best salmon rivers in the whole world. I can recall, of a weekend, a series of four pools just five miles above the city of Fredericton which would produce 100 to 125 salmon. There was the odd grilse, but for the most part these were the spawning type of salmon. That situation has changed dramatically. Salmon runs on this river have been declining for the past 20 years. Three power dams have been built along the river. One was built at the Tobique Narrows. Tobique is one of the river's principal tributaries and is probably one of the best spawning streams to be found anywhere in North America. A second dam was built at Beechwood and a third at Mactacquac. Industrial and municipal pollution have increased year by year, adding to the summer stench of the head ponds above these dams.

Although we have had our problems with the Danes on the high seas, we must admit that the Danes have had nothing to do with what has been going on in the Saint John River. I think we must not let ourselves focus entirely on this admittedly very serious situation with the Danes to the extent that we will forget about what is happening within our own country and within our own control.

• (1610)

During the past several years both commercial and sport salmon fishing have been curtailed by federal regulations on the Saint John River system. This year a total federal ban on both commercial and sport salmon fishing has been enunciated by the federal authority. It is a necessity due to man's wasteful lack of foresight. Where once the annual run of salmon on that river was calculated in the millions it is now down to the hundreds. Several years ago when the Mactacquac hydro-electric project was about to get under way, the federal authority, realizing the effect that this would have upon the diminishing salmon runs, demanded that a fish hatchery should be built just below the dam for the purpose of trying to save and rehabilitate the run of fish on that river.

The government of the province, the federal authority and the crown corporation, the New Brunswick Electric Power Commission, agreed upon this. The power commission paid the shot and they got from Japan, from our own west coast and east coast, from Scandinavia and from Europe generally all the technological information available. As a result they have built what is said to be the most up-to-date salmon hatchery in the world. I believe it exceeds even those in Sweden, referred to by Senator Carter yesterday, in its expectations. It is just coming to the point of return of the fish that have been grown there for the last several years and that have been released to sea. Biologists believe that they can bring the Saint John River back to the state where it will become once again one of the major salmon rivers in Atlantic Canada.

The mature fish are caught at the dam, the roe is taken from the female fish and the milt from the male fish. After fertilization has taken place they are raised through to the smolt stage before they are released from the hatchery. The fish not required for this purpose are taken by special tank truck some 60 miles upriver above the three dams, to the watershed where they are released for natural spawning. It has now been determined that the smolt coming from this natural spawning on the Tobique are navigating the three head ponds and are actually getting back to the Atlantic in great numbers, and the mortality rate going through the hydro dams is now estimated to be of the order of 20 per cent whereas initially it was suggested that it might be as high as 80 per cent. So something is now being done to reclaim this river.

The industrial wastes of the forest industries and food processing plants are being cleaned up and cleaned up rapidly. But this has only been happening in very recent years as well. The same thing applies to municipal sewage treatment plants. The municipalities along the river, with one or two exceptions, have in the last few years installed treatment facilities. Perhaps my grandchildren will have the opportunity to enjoy the river as much as I did, an opportunity which my own children have not had. The steps taken thus far are very important, but continued vigilance by both federal and provincial authorities will certainly be required on a stream such as this to guard against further pollution.

The St. Croix River in New Brunswick, at the international border with the State of Maine, was once a famous salmon stream but it has been practically wiped out by pollution. Currently the federal government together with the Province of New Brunswick and the State of Maine are attempting to clean up the decades of residue of pollution in the river and to reclaim it.

The Northwest Miramichi, probably the most famous grilse river in the whole world, was literally wiped out for a period of years—it is coming back now—by the development of mineral resources and because the forest industry, with no attention to conservation, cut to the shores, bulldozed pools and generally made a mess of the river. As I say, it is being brought back, but at tremendous cost in terms of time as well as finances.

The South Renous River, a branch of the Miramichi, is also a beautiful salmon river. I am sure that those of you who have fished the east will recognize the names of these rivers. The South Renous currently stands in danger of serious damage to the fisheries by prospective development of mineral resources.

The main Southwest Miramichi River, which is without question the finest salmon river left in the world today both for the size of its runs and for its sporting capability, has been seriously hurt in recent years by the effluent of pulp and paper mills and also by mineral development. Here again corrective measures are being taken, but that is not enough. In the case of some of these rivers such as

the Nepisiguit, where the salmon run has been almost totally wiped out because of mineral development, it may be growing too late.

The point I wish to stress is that anyone who has enjoyed a Saint John harbour salmon with fiddleheads, and knows what a delicious dish it is or any person who has enjoyed angling for Atlantic salmon—and here I would mention that it is not a battle for supremacy but rather is it something beautiful to participate in—should support all government measures now being taken and those which many of us must continue to demand year by year until this resource can be returned to its former state.

• (1620)

During the last week of April at Chatham, New Brunswick, the Honourable Jack Davis and a number of his officials met with the commercial salmon fishermen to discuss the total ban on commercial salmon fishing which had just been announced. They also discussed methods of compensation which would be utilized to help those who desired to get out of the industry because it was declining. They discussed the matter of buying their gear, equipment, boats, and so on, at their cost and not at the depreciated value. They talked with those who wished to retain their licence even though they could not fish for a period of time. This was an endeavour to compensate them for their three best years out of the last six years.

There was an audience of some 800 people in the hall, many of whom were commercial fishermen. They showed a surprising degree of restraint. These were men who had families and they faced the possibility of being wiped out in an industry which they and their forbears had been involved for many generations. There was great emotion in the hall. With one or two exceptions, this was a very good hearing. The minister was calm and cool and he handled himself in an excellent manner. This is the type of situation we hear so much about on radio and television in these troubled times. There could have been violence at this meeting. Fortunately, there was not.

The minister committed the Government of Canada to generous payments of compensation. I would urge that he now ensure that his officials carry out that commitment to the letter. At meetings which have since taken place between the officials and the commercial fishermen, the fishermen have not been at all happy with the progress which has been made. I would hope that the minister would personally remain involved in this situation. I think it is awfully important that he get involved. If he does, I am confident his commitments will be carried out and the fishermen will receive fair treatment.

I hesitate to go very far afield in this area, but those of us from the Maritimes who have followed the problems of the Atlantic fisheries are convinced that policy decisions of recent years have not been good policy decisions. The ministers have made decisions on the basis of some extremely bad advice from senior officials who apparently did not understand the problems, particularly the problems of salmon fishermen.

Let me give you an example. A regulation was promulgated by the regional office in Halifax that angling for salmon must stop at 6 p.m. on Sundays. This regulation has been in effect for the last two years. Any person who has fly-fished for salmon will quickly realize the idiocy of such a regulation. There are three hours of daylight remaining and, as I am sure Senator Molson will agree, the prime time for salmon angling is relatively early in the morning and very late in the afternoon or early evening. An angler who had hooked a fish at ten minutes to six had either to land his fish by six o'clock—it is very difficult to land a fish in ten minutes when fishing from a canoe—or to cut the fish loose and discontinue the fight. If you continue the fight it might take anywhere from one to two hours, depending on the size of the fish. Despite the fact that representations were made to Halifax, the regulation remained in effect.

As if that was not bad enough, a new regulation was promulgated covering all waters in New Brunswick, and this regulation reaches the height of silliness and stupidity. Although this regulation came out of Halifax, the minister must take responsibility for it. The bag limit per day was two fish. One could be a grilse which would be under six pounds, and the other a salmon. How in the world an angler would know what he had on the end of his line or how big it was I do not know. However, the officials maintained it was a sensible regulation. Numerous representations have been made to the minister and he has recently overruled the decision of the officials and the regulation now reads "two fish of any size." So you will not need scuba diving gear in order to go under water to determine what you have on the end of your line.

Commercial salmon fishermen are facing a total ban. I am sure most of them realize it is a serious situation and are prepared to accept it so long as they receive fair compensation. If the minister personally gets involved in the situation to ensure that the bureaucracy and red tape does not interfere and slow or stop the process, I am sure the fishermen will receive fair compensation. The commercial fishermen have indicated that if they have to make a sacrifice the angler should have to make some sacrifice as well. I can appreciate their feelings. In practical terms, if would be more reasonable to reduce the daily bag limit, which has already been reduced from four to two fish per day, to one fish per day. In relation to the total Atlantic salmon fishery catch, the angling take is only about 2 per cent. In relation to the total Canadian Atlantic salmon fishery, the angling take is approximately 5 per cent or slightly less.

• (1630)

I agree with commercial salmon fishermen that in the current serious situation the angler should be called upon to make a sacrifice. Our main purpose is to get as many fish as possible to the upper regions of the spawning streams. That could be accomplished without a total ban on angling. In my opinion, it would be economic folly to attempt a total ban, which would affect the income of camping outfitters and suppliers, guides and others, to the tune of several million dollars, and throw several hundred people in New Brunswick into the ranks of the unemployed.

Furthermore, I do not believe that the provincial government would agree to a total ban, and provincial government approval would be necessary before such a ban could be effective. I therefore urge the minister responsible for Fisheries to reduce the bag limit to a daily catch

of one salmon of any size. Camping outfitters would then be able to remain in business and, at the same time, it would provide an escapement of the salmon for spawning purposes. A ban on commercial fishing and restriction on angling will be of little use unless a greatly increased guardian or protection service is provided for all salmon rivers on the Atlantic coast.

Those who know something about this fishery will have encountered a situation where a resting pool in a major river might contain as many as 200 to 250 fish at dusk or nightfall, but the next day only three, four or half a dozen fish remain in the pool. On checking the pools upstream it is found that the fish have not moved into them. The obvious has happened. Poachers have moved in overnight with their nets. It is no exaggeration to say that the appetite of these poachers is beyond belief. They will take as many fish as they can by means of their illegal nets. The fish are sold for an insignificant amount, and this does little economically for either the province or the poacher.

I repeat that measures now proposed will be of little use unless the federal and provincial governments co-ordinate the activities of their guardian services which are already overloaded. There must be no repetition of activity at the various streams, and men and equipment must be used to the greatest purpose. Referring particularly to the Province of New Brunswick, it will be impossible to provide a really effective protection or guardian service unless the number of personnel is increased tremendously, to at least double what it is at present.

The federal Department of Fisheries traditionally has had great difficulty in obtaining sufficient funds through the Treasury Board to protect this fishery. This applies to all provinces which have an Atlantic salmon fishery.

The Canadian government would be taking extreme action in introducing a commercial ban, and in view of its concerted action in the past, and the action which it proposes to take in Washington against the Danes, the Faroese and others, the government should be able to exert some influence upon the Treasury Board to provide sufficient funds for at least a minimal protection service.

If the situation is as serious as the minister and his officials say it is—and I do not discount for one moment that the situation is serious—then it must follow that funds should be provided for a protection service.

I have one final proposal for consideration by the Minister of the Environment, the Honourable Jack Davis. I believe it to be both sensible and practical that a division of the department be established to deal specifically with the saving and rebuilding of the Atlantic salmon runs. Without question, the logical location of that proposed division could not be Halifax. It would have to be located in the Newcastle-Chatham area of New Brunswick, on the Miramichi River, which is the last redoubt of the Atlantic salmon in any number. Last year, or the year before, the number of fish in that river was, I believe, greater than the total number in all the other rivers on the Atlantic coast. Therefore that location is obviously the right one.

Those involved in such a division should be experts: biologists and technicians with intimate knowledge of the Atlantic salmon fishery. It is not my purpose to downgrade the department's experts, but on several occasions we have discussed the problem of Atlantic salmon in the east with people newly arrived from the Pacific coast, whose interest and knowledge lay only with the Pacific salmon, which I acknowledge as being a marvellous fish. However, it is very important, in view of the dreadful situation which we are currently facing, and in view of our efforts to save this fishery, that the expertise of knowledgeable people be used to develop a policy applicable to the Atlantic salmon.

Hon. Senators: Hear, hear.

Hon. Mr. McElman: I hope that the minister, the department, and the government will, in addition to the action currently being taken with respect to the Danes, pay special attention to the need for action within our own jurisdiction.

I do not for a moment underrate the damage that is being done as a result of the fishery exploitation of Greenland. However, there has been a little too much emphasis laid in that direction, which perhaps has taken away some of the importance attached to measures that must be taken within our own jurisdiction, on our own rivers, by our own levels of government, both federal and provincial. I hope that more and more people, both within Parliament and outside, will continue to impress upon governments at all levels the necessity for taking action which is patently obvious.

• (1640)

This action should be taken now, this year. We should not wait for more industrial pollution and more municipal sewage to finally wipe out the last vestiges of this great fish.

Hon. Mrs. Quart: I assure you, honourable senators, I am not going to make a speech about salmon, though I was hoping that some senators from the Province of Quebec would defend our Gaspé salmon.

May I ask the honourable senator a question?

Hon. Mr. McElman: Senator Molson spoke just the other day.

Hon. Mrs. Quart: Well, you are the most recent one and you are concerned with the Saint John Harbour.

Hon. Mr. McElman: I am only indicating that Senator Molson has spoken on this.

Hon. Mrs. Quart: Yes, Senator Molson is from the Province of Quebec and you would probably think he would be biased about this. In any event, could you tell me, by any chance, how much a pound, both wholesale and retail, is Saint John Harbour salmon at the moment? I happen to have some prices—

Hon. Mr. Walker: You tell us, then.

Hon. Mrs. Quart: I want to see if Senator McElman can tell me. Would you answer my question? I will tell you why I am asking it. I assure you I know nothing about salmon except, as you probably observe, I love eating it. I was at an excellent restaurant in the Montreal area recently and I asked, "Why do you always say that Gaspé salmon is the very best when I hear just the opposite in the Senate?" I called the Quebec Tourist Bureau on Monday afternoon, and they sent me some literature, which I wish I had with me, and asked me to send a copy

of it to Senator Burchill. They told me that what we call Gaspé salmon, particularly salmon caught around Carleton, is more expensive on both the export and domestic markets. Well, would you not think that the more expensive something is the better it is? I was told in the parliamentary restaurant just today, "This is not B.C. salmon; it is Gaspé salmon."

Hon. Mr. McElman: I have no reservations in trying to answer the honourable senator's question. The price of Saint John Harbour salmon at the moment was the question asked. Well, there is no price unless it is a black market price because there is a total ban on fishing in the whole Saint John River system. This ban applies both to commercial fishing and angling this year. It is a total ban. If there is a price on Saint John Harbour salmon, then it is a black market price which, of course, would be very high. There probably is the odd fish floating about. In a normal year Saint John Harbour salmon is the first fresh Atlantic salmon on the market. It is known world-wide as a fish delicacy with a special flavour.

Hon. Mrs. Quart: Since you once swam in that river I have no doubt about it.

Hon. Mr. McElman: I have not swum in it since I was a teenager. Unfortunately, it is not fit to swim in now. Without question, the Saint John Harbour salmon is touted by even the Canadian Tourist Bureau—not just the New Brunswick Tourist Bureau—as one of the great fish delicacies of the world. If you add to that just a wee bit of fiddleheads, a touch of lemon, and a little egg sauce—

Hon. Mrs. Quart: I am going to send you one of the books from the tourist bureau so that you can see how many wonderful recipes we have for our salmon. I am not trying to start a controversy but I do believe that when people buy salmon, especially smoked salmon, they try to purchase salmon from Quebec around Carleton.

Hon. Mr. McElman: Just one further point. The Saint John Harbour salmon are taken, as I said, early in the year. There is no other salmon on the market at the same time and, consequently, the price is the highest anywhere. It is higher than the price paid later for Gaspésian salmon. Gaspé salmon is on the market at a later time, so the Saint John Harbour salmon is, without question, the highest priced salmon on the market and has been down through the years, but Gaspé salmon is delightful as well. I have eaten it many times.

Hon. Mr. Molson: I wonder if the honourable senator would permit one more question. I think we are all completely agreed that any ban or even any reduction of the commercial take should be accompanied by full compensation for those affected. I am wondering if Senator McElman is suggesting that that principle be applied to anglers if their take is further and substantially reduced? For example, there are those who very recently bought, at auction, stands in New Brunswick for fishing rights at a cost of some millions of dollars. Do you think the Government of New Brunswick should refund any of that money, or do you think that that might cause complications?

Hon. Mr. McElman: No, I do not see that it would, Senator Molson. As you will recall, three years ago the daily bag limit was reduced from four to two. On that occasion there was no question by the outfitters in your province or in my province or, to my knowledge, in any Atlantic province, that there be recompense to the leaseholders or the outfitters or any other person involved in any sense. It is for that reason that I proposed the further reduction of the daily bag limit from two to one. I do not believe it would raise any more of a legal or other complication than did the reduction from four to two, but I do believe that it would be a very serious matter if a total ban were put on angling. I know in my own province that on May 15 angling begins on the Miramichi and I need not tell you of the numbers of fishermen involved both resident and non-resident, and I mean non-resident Canadians. It has often been said that on the average they pay about $20 a pound for each fish caught. I do not believe that estimate is at all high. I think it would be a mistake to wipe out the angling altogether. The effect upon the economy would be far greater than the wiping out of commercial fishing. The provinces, I think I can say quite directly, would not agree to it, and the federal government, because of split jurisdiction, would be making a dreadful mistake if it tried to force the provincial government to wipe out angling.

Hon. Guy Williams: Honourable senators, I should like to direct a question to the honourable senator. Before doing so let me say that the Maritimes should take advantage of British Columbia's experiences in the matter of conserving salmon. The Americans, who destroyed the spawning areas of the great Columbia River, have brought back the Cohoe salmon in tremendous numbers, to the extent that we are now having problems with them, though the Canadian fishermen are outfishing the Americans on the high seas.

• (1650)

I think one thing has been overlooked in this debate. Canada has the best biologists and scientists in the field of fish, particularly salmon. This statement is not hard to bear out. I have for many years sat in with our own fisheries department in negotiations with Japan, the United States and Russia. The Russians go in for the artificial rearing of salmon, and they are very successful at it. In America the answer is in spawning areas. The Americans even have portable spawning boxes, as they refer to them, and our fisheries department is now experimenting with them, although they quote the tremendous price of $2,000, whereas the Americans quoted me $15. This method is working.

It appears to me that man himself has overburdened the spawning areas with a technology that is not of the best kind for the survival of salmon in the Maritimes. We have experienced this in British Columbia. At times, the herring seine fisheries on our coast have taken young salmon along with the herring. Knowing that some of our own fishermen in the Maritimes are now using seine herring fisheries, I am wondering if the smolts, or the young Atlantic salmon, are being taken by this type of fishery at certain times of the year.

Hon. Mr. McElman: To the best of my knowledge, no. The feeding ground is quite different from that of the herring. It moves to the deeper water much farther than the herring fishery.

Hon. Mr. Williams: I should have said on their migration routes to the ocean.

Hon. Mr. McElman: It is possible, but I have never heard of it, and I think I would have because of my close interest in this subject and my liaison with people in fisheries.

The Hon. the Speaker: This item is considered debated.

CRIMINAL LAW AMENDMENT BILL, 1972

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act.

Bill read first time.

Hon. Mr. Martin moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. McDonald: Honourable senators, may I propose that this may be an opportune moment for us to adjourn until approximately eight o'clock this evening.

Hon. Mr. Flynn: What for?

Hon. Mr. McDonald: I will explain when Mr. Speaker has put the motion.

The Hon. the Speaker: Is it agreed that the Senate should now adjourn during pleasure?

Hon. Mr. Flynn: I would like to hear why? It is an unusual procedure.

Hon. Mr. McDonald: Honourable senators, I think a word of explanation is in order at this moment. The very best information I can get from the other place is that the Old Age Security bill will be available to this house at about 5.15 this afternoon. It has been delayed 15 minutes in the last half-hour, but I am certain that we will receive the bill before six o'clock today. This would not give us time to deal with it before dinner, and that is why I have asked that we come back at eight o'clock tonight to proceed with it. I am sure that all of us want to see this bill and the other one for which we have been waiting, that concerning veterans' pensions, dealt with as quickly as possible by this chamber. We hope to proceed with the Old Age Security bill this evening.

Hon. Mr. Flynn: Does the deputy leader understand that to proceed tonight requires unanimous consent?

Hon. Mr. McDonald: Not to give first reading to the bill, but to introduce it to the house.

Hon. Mr. Flynn: First reading agreed, but to proceed with second reading would require unanimous consent.

Hon. Mr. McDonald: I understand that.

Hon. Mr. Flynn: May I suggest that we are not gaining anything by coming back at eight o'clock.

Hon. Mr. Lafond: We would have first reading.

Hon. Mr. Flynn: We can have first reading tomorrow.

Hon. Mr. McDonald: I realize that we require leave of the Senate in order to proceed after first reading. Whether or not we get leave is, of course, up to individual senators. However, I believe we should use every opportunity to proceed as rapidly as possible. We can have first reading this evening, and it would be my hope that we could get leave to proceed further. We will use whatever methods are available to us and proceed as rapidly as possible.

Hon. Mr. Martin: I simply want to add to what was said by the Leader of the Opposition. If leave, under the rules, were to be accorded to proceed with second reading tonight, I would be prepared to explain the bill. I can well understand the desire to examine some features of the bill. That could be done perhaps tomorrow. I think it will be the desire of all of us, regardless of where we sit, that there be no delay in giving the old age pensioners increases, and likewise the war veterans, whose pensions will be increased by the other bill. That is the purpose. I know that the Leader of the Opposition shares my view that it is desirable to have these increases provided to the pensioners and the war veterans as quickly as possible.

Hon. Mr. Flynn: We might as well have a little debate about that to clarify the situation. As far as first reading is concerned, as has been pointed out, no leave is required. I told the Leader of the Government I would agree that first reading and second reading be given tomorrow, so we are not gaining anything, except we would listen to the Leader of the Government tonight instead of tomorrow afternoon. I therefore suggest that the Senate is not more advanced in this way.

The second thing is that the Leader of the Government has been putting pressure on me—and I am not revealing any secrets, because it is obvious—to give leave, because of the urgency of mailing the cheques to the old age pensioners. He referred yesterday to the statement made by Mr. MacEachen in the other place, and said at page 354 of *Hansard*:

> There are two measures that the government is anxious to see dealt with—the bill providing for increases in the old age security payments, and the bill providing for increases in veterans benefits. The June payment of the old age security benefits depends upon passage by Friday, as the house Leader of the Government in the other place indicated on Wednesday last.

I refer honourable senators to the answer given in the other place last Wednesday. The Leader of the Government there said that the bill had to receive royal assent by last Friday.

Hon. Mr. Martin: Oh, no.

• (1700)

Hon. Mr. Flynn: Oh well, I will quote, then, if my honourable friend does not believe me. I will quote from *Hansard* of the House of Commons of May 10.

Hon. Mr. Martin: Yes, May 10, page 2128.

Hon. Mr. Flynn: Yes.

Hon. Mr. Martin: It is at the bottom of the page.

Hon. Mr. Flynn: It is May 10. It says:

> I am advised that if these increases are to be in their June cheques and in the hands of the pensioners by the end of June, it would be necessary to have the bill passed by the end of next week.

Hon. Mr. Martin: That is this week. This Friday.

Hon. Mr. Flynn: He said, by the end of this week.

Hon. Mr. Martin: Next week.

Hon. Mr. Flynn: I do not know if it was changed, but I read "... by the end of next week." I do not agree with this, for the very good reason that if we pass the bill on Friday night, Saturday, Sunday and Monday being holidays, nothing can be done on those three days. If we were to proceed with this bill and have it given royal assent on Tuesday, there would be only one day lost. The Leader of the Government cannot convince me that one day will make a difference in the expedition of these cheques. So, before I give consent, I want to hear from somebody from the Treasury Board about the procedure on these cheques. If the honourable Leader of the Government wishes to call the committee tomorrow and have someone from Treasury Board come and explain the procedure to us, we will see what we can do. But again I think we are not gaining anything by sitting tonight.

Hon. Mr. Martin: Honourable senators, I am grateful to Senator Flynn for saying that he would agree that tomorrow we could have first reading and second reading. I take it that this commitment would apply to all of us, that there would be no one who would take exception to that.

I say I would take it that the commitment that Senator Flynn has just made now would apply to the Senate as a whole, that there would be no one who would take advantage of the situation, that all senators would agree to second reading tomorrow. We could send the bill to the committee and we would call the officials and let the officials deal with this very point that Senator Flynn has mentioned.

Hon. Mr. Flynn: I would like the Leader of the Government to move tonight that this question of urgency be referred immediately to a committee tomorrow morning, so that we would know why we are asked to give leave to proceed so quickly with this and whether the contention that royal assent has to be given by Friday is really correct.

Hon. Mr. Martin: I do not think that is a fair thing. I think we will deal with the bill. We will have first reading, second reading, and send the bill to committee. If the committee is not satisfied, it can examine the officials on that point as part of the whole consideration of the bill. I think that is the way to do it. If that were agreeable, I would be willing to entertain the suggestion.

My honourable friend and I have had talks. I am sure he shares the view that it is desirable that we have these increases and that we take no chances in making sure that we pass this bill by the end of the week.

I have looked at the time that was spent in the other place on this bill. It was not much more than two days. They had all sorts of interventions in the other chamber. They took only three-quarters of an hour in their committee. All parties in the House of Commons were anxious to see the matter disposed of there as quickly as possible. I am sure that none of us in this place would want to do anything that would in any way jeopardize the passage of this measure by this Friday.

The bill is a simple one. It simply provides for increases in the escalation clause, greater application of the escalation clause. It provides for an increase in the guaranteed income supplement, in the basic pension. That is what it does. The Senate will not want to be an obstacle to a measure that will benefit millions of our senior people and one which has been passed by the other chamber.

If it can be understood that we would give it first and second readings tomorrow and send it to committee, I would undertake that one of the very first witnesses would be the person who would deal with the question raised by Mr. MacEachen when he said:

> It is understood that all members want to have these pension increases in the hands of the pensioners as early as possible. I am advised that if these increases are to be in their June cheques and in the hands of the pensioners by the end of June, it would be necessary to have the bill passed by the end of next week.

The "end of next week" is Friday, when we would get royal assent, assuming passage of the bill.

Hon. Mr. Flynn: Royal assent on Friday night.

Hon. Mr. Martin: The thought was to have it at 5.45 p.m.

Hon. Mr. Flynn: If I am correct, the other house sits only until five o'clock on Friday.

Hon. Mr. Martin: I think they can always agree to have a quorum.

Hon. Mr. Flynn: Anyway, with this undertaking of the Leader of the Government that in committee on Friday—

Hon. Mr. Martin: Or on Saturday morning.

Hon. Mr. Flynn: —a departmental official will explain why it is necessary to deal with the bill quickly, but I do not like the Senate to be a rubber stamp. We have only been given this intimation that if the cheques are late it is because the Senate is proceeding in its normal way.

Hon. Mr. Martin: No. Of course, they cannot blame us.

Honourable senators, depending on the discussion tomorrow, perhaps we could get the bill to committee sometime late tomorrow. I will undertake that the first item will be to have the officials deal with this problem. On that understanding, would that be agreeable to the Leader of the Opposition?

Hon. Mr. Flynn: I have stated my position clearly. I will not object to first reading being given and to proceeding with second reading. I do not say that we are going to discuss it all day tomorrow.

Hon. Mr. Martin: Oh, no.

Hon. Mr. Flynn: But I will not object to second reading being proposed and the debate started tomorrow.

Hon. Mr. Martin: I think that is fair enough. I am not suggesting that my honourable friend should curtail the debate.

Hon. Mr. Flynn: I am not alone.

Hon. Mr. Martin: I know.

Hon. Mr. Flynn: I may be alone, but—

Hon. Mr. Martin: I am sure that, with my honourable friend, we will all agree to take as much time as we need and as is possible. I think it is clearly understood that we will adjourn now until tomorrow at the usual time, that we will proceed with first and second reading of this bill. I will introduce the bill and the debate will ensue. I will be hopeful that we can get the bill to committee later that day. But, as the Leader of the Opposition says, that may not take place until Friday morning. I think that that is fair.

The Hon. the Speaker: Honourable senators, I am just thinking that the remaining items on the Order Paper should stand now.

Hon. Senators: Agreed.

Hon. Mr. Martin: As Senator McDonald reminds me, it is not just the Leader of the Opposition and I who determine these things. There are others. There are other groups. There is Senator Manning. Senator Molson is a strong custodian of the Rules. I take it that there is a consensus. I am looking at Senator Connolly (Ottawa West), for instance. I want to be assured by him.

• (1710)

Hon. Mr. Connolly (Ottawa West): Well, it is agreed.

Hon. Mr. Molson: I have made no commitment, I must say. I have not held my caucus.

Hon. Senators: Oh, oh.

Hon. Mr. Molson: I have made no commitment at this point.

Hon. Mr. Martin: But you will have no objection to our going on to second reading tomorrow.

Hon. Mr. Molson: I have no objection to going on with second reading tonight.

Hon. Mr. Martin: And I would have liked to have gone on with it tonight too, but I am in the hands of Senator Flynn.

Hon. Mr. McDonald: That is a bad place to be.

Hon. Mr. Martin: May I ask Senator Flynn if he has been persuaded by this last remark of Senator Molson's?

Hon. Mr. Flynn: I am not as good as Senator Molson at fishing salmon. I will stay put.

Hon. Mr. Connolly (Ottawa West): I think the Speaker has a problem in that there are a great many items on the Order Paper that have not yet been called. I think he has to ask for consent as to whether or not they should stand.

Hon. Mr. McDonald: Mr. Speaker, earlier on I moved a motion that we would adjourn until eight o'clock. I now want to withdraw that motion.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Hon. Mr. McDonald: May I ask that the remaining items on the Order Paper stand?

The Hon. the Speaker: Is it agreed that the remaining items on the Order Paper stand?

Hon. Senators: Agreed.

An Hon. Senator: With leave.

Hon. Mr. Molson: Did Senator Flynn give leave?

Hon. Mr. Flynn: No leave was required.

Hon. Mr. Martin: I move that we adjourn.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, May 18, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a Report of the Commission of Inquiry into the Non-Medical Use of Drugs (Mr. Gerald Le Dain, Chairman) entitled "Cannabis".

COUNCIL OF EUROPE

THIRD PARLIAMENTARY AND SCIENTIFIC CONFERENCE AT LAUSANNE, SWITZERLAND

Hon. Allister Grosart rose pursuant to notice:

That he will call the attention of the Senate to the Third Parliamentary and Scientific Conference of the Council of Europe held at Lausanne, Switzerland, in April, 1972.

He said: Honourable senators, I have the privilege at this time, to report to you on the Third Parliamentary and Scientific Conference of the Council of Europe, which was held last month in Lausanne, Switzerland.

I attended in the company of Mr. Ian Watson, the member for Laprairie, Québec, who was representing the Canadian NATO Parliamentary Council. It was my privilege to represent the Special Senate Committee on Science Policy. The majority of those in attendance were distinguished European parliamentarians, scientists, science managers and administrators, and industrialists.

Among the outsiders, if I may use that term, including Mr. Watson and myself, were the Honourable James Symington, known to many honourable senators as a very important member of the United States House of Representatives' Committee on Science and Aeronautics, and Mr. Takao Fujimoto of the House of Representatives of Japan. As I said, the majority of those who were in attendance, some 150 of them, were Europeans.

I have prepared a written report for the Senate. Rather than read it, I will ask permission to have it printed as an appendix to our proceedings.

The Hon. the Speaker: Is it agreed, honourable senators, that this report be printed as an appendix to *Hansard*?

Hon. Senators: Agreed.

(*For text of report see appendix, pp. 413-15.*)

Hon. Mr. Grosart: If I may, honourable senators, I will take a few moments of your time to run over some of the highlights of the conference.

The conference lasted five days and was held at Lausanne. If any honourable senator has the responsibility for arranging a conference at any time in April, I would strongly recommend Lausanne. In April, Lausanne is a place where the flowers and shrubs are in blossom and the vineyards are beginning to green, and the young ladies are putting on their fashionable, if at times somewhat abbreviated, spring apparel.

The President of the Council, Mr. Olivier Reverdin, has particularly asked me to convey his respects to His Honour the Speaker, Senator Deschatelets, of whom he has fond memories and for whom he has a high regard. You will recall that the executive committee of the Consultative Assembly, in an unprecedented move, held one of its meetings here in Ottawa some time ago. Speaker Deschatelets played a significantly important role in that successful conference.

My general report to you, honourable senators, would be to say that the papers, oral presentations, discussions, and conclusions of the conference reflected, in general, the same kinds of problems that we have been having in science policy in Canada. It is true that in Canada we came to a serious consideration of national science policy somewhat later than the majority of the older European countries and Japan, but we seem to have made up in intensity what we have lacked so far in maturity in the problem of developing a national science policy.

One of the highlights of the conference, which I found rather unusual, was that those of us who were outsiders, if I may again use that term, were specifically asked to present any amendments or addenda to the draft conclusions that we thought might be worth consideration by the conference.

Mr. Watson reflected very much the overall theme of the conference, which was the responsibility of parliamentarians to inform themselves about science policy and to take control over technology because, as was said over and over again, if parliamentarians do not take control of technology then technology will take control of the world in a way that will lead to a catastrophe in the lifetime of many who are still here. In the light of that Mr. Watson presented an addendum to the draft conclusions suggesting that the Council take the initiative in organizing a sophisticated data bank of science policy information, and to arrange for an outflow from that data bank to parliamentarians in all countries.

Congressman Symington added the suggestion, which again was favourably accepted, that there be organized in Europe a European Science Foundation. It is rather remarkable that in the many efforts, some of them successful, made by the European countries to integrate their policies in science, they have not, up to this time, established a European Scientific Foundation. This again reflects something of our own problem in Canada, because I well remember that when we began our considerations in the Special Senate Committee on Science Policy we were amazed to find that Canada was one of the few comparable countries in the world that had nothing like a national association for the advancement of science or a national academy. While an effort is now being made to establish an organization that might satisfy some of the criteria, we are still a long way from having in Canada a national science academy.

• (1410)

On behalf of the Special Senate Committee on Science Policy I took the liberty of introducing two addenda. The first called for early visibility of the science budget in all countries. The purpose was to form a basis for consideration by Parliament of national science policy. At present Canada does not have this. This resolution was accepted, and it urged that the total science spending of the federal government or any government be collated and made visible before any commitments are made.

About a year ago, our science secretariat collected this information from the Estimates so we now have an *ex post facto* visible science budget, but only long after commitments have been made. The purpose of this resolution was to suggest that the point of visibility be moved up so parliamentarians would be in a position to examine national science policy in any one year before it became effective. The most heavily stressed theme of the entire conference was this responsibility of parliamentarians to examine their national science policy.

My second addenda suggested the formation of an International Science and Technology Union of parliamentarians, and was accepted as a Council initiative.

I am happy to report that there is considerable interest and awareness in Europe of Canadian science achievements. There was a favourable comment regarding Canada's breakthrough in laser technology, the TEA generation of lasers. The credit goes to the Defence Research Establishment at Valcartier and later, during the second generation, to the National Research Council. A very high tribute was paid to what was described as the Canadian initiative in instituting the National Development Research Centre in Montreal. The conference moved that the Assembly of the Council of Europe examine this carefully with a view to setting up an analogous institute in Europe. The purpose of that institute would be to develop an international base for scientific capacity and capability, particularly to deal with the problems of science and technology which concern developing nations.

I indicated earlier that the main topic discussed, largely in the European context, reflected our own problems in Canada. The most important question confronting human beings which was posed throughout the conference was whether technology can develop answers to its own problems, problems which it creates. It was repeated several times by students of the problem that technology is progressing at a faster rate than scientific, industrial, and other institutions can cope with it.

The conference was held in the climate of the recent sensational document issued under the auspices of the Club of Rome and the Massachusetts Institute of Technology. Honourable senators will be aware of the far-reaching conclusions contained in that report, which are, in effect, that we on this planet face catastrophe in the year 2000.

There are two schools of thought on this. There is a controversy now raging all over the world among those who are informed on the whole problem of science policy. On the one hand, there are those who say it is hopeless, that man has dug his own grave, that there is no way we can cope with problems of population explosion, urbanization, pollution, and destruction of the ecology. On the other hand, there are those who say that technology can and will cope with these problems, as it has in the past.

In that connection, it is interesting to recall that about the year 1830 a paper was presented to a learned society in England pointing out that it was impossible for the City of London ever to reach a population of one million, because there would be no place to put all the horses and, even if they did find a place for the horses, London would be smothered in horse manure.

Similarly, about 1865, when the rifle first came into general use, a paper was presented to a French learned society pointing out that it was a great achievement because it automatically meant the end of wars on this planet; that with the high rate of fire, the tremendous killing power, and the range of the rifle as compared with the musket, there was no way that a battle could last for more than 10 minutes, that if the rifle were used everyone would be killed.

We have a reflection of that in the comment by Sir Winston Churchill that nuclear weapons had brought about that kind of situation in the world. There is perhaps some evidence that this might be so. One can only hope that this is the result at last of technological developments in weaponry.

We were meeting also in the climate of the new concept of "zero growth." I am sure honourable senators are aware that there are prominent economists, particularly social economists, in the world today who have reached the conclusion that we have to stop growth. It is sometimes called the anti-GNP cult.

At first look, it would seem easy to liken it to what Congressman Symington referred to as a product of the "echo freaks." There is no question that there are echo freaks, crackpots, talking catastrophe.

On the other hand, there are many serious-minded, well-equipped, and well-informed scientists of various disciplines who seriously advocate a low-growth policy for the world. At first look, it is hard to see how this could be made to work, in view of the fact that on the national level in Canada and elsewhere the whole thrust of our policies is towards economic growth, if for no other reason than, as far as most of us can see at present, there is no way of providing for the social requirements of any community in the world today except through the resources produced by economic growth.

• (1420)

I leave any further consideration of that to honourable senators to reflect upon. I mention it only because it was a theme recurring throughout the discussions. I should also say, perhaps, that in some conclusions reached there seemed to be a rather high level of endorsement of many of the positions that have been taken by our own committee in its reports. There was reference to the fact that we have an extraordinary track record in that committee of acceptance and implementation by the government of suggestions coming out of our proceedings, and recommendations that are found in our report. I refer to the principle of contracting out research and development to industry, the development of an industrial strategy for Canada which we seem to be on the verge of, and the

emphasis we have placed in our committee reports and in this chamber on technical assessment and technical forecasting regarding the kinds of problems that we may be facing in the near future.

I was able to report that this Senate has taken the lead among parliaments of the world in authorizing one of its committees to call a conference, the object of which would be to establish in Canada a National Commission on the Future. From the evidence I heard there I think it is quite safe to say that more than one important parliament in the world will be following the lead taken by the Senate of Canada in that respect.

I also feel that my report would not be adequate if I did not report to honourable senators that one of our members, Senator Lamontagne, has established himself around the world as one of the international wise men of science.

Some Hon. Senators: Hear, hear.

Hon. Mr. Grosart: I noted with the greatest pleasure, whenever I spoke with scientists, science administrators, and science policy-makers, that invariably the name of Senator Lamontagne came up, not always directly in connection with what are now universally referred to as the Lamontagne Reports, but also in relation to the other work he has done and the distinction he has brought to this chamber and to Canada in establishing his place in this very select company. It is my own view that only one other Canadian has been generally accepted into that select company, and that is Dr. O. M. Solandt, the recently retired President of the Science Council.

It is perhaps interesting that these two distinguished Canadians in this field are not always in agreement on the future direction of our science policy. I, for one, am not greatly alarmed or concerned about this. I feel it is a good thing that we have two eminent students of the problem disagreeing at times, but who very often find themselves in general agreement as to what the future course of Canadian science policy should be.

Honourable senators, I conclude my remarks by saying that the evidence at the conference and the evidence I have seen elsewhere seems to me to indicate that we can look forward with considerable optimism to the future, believing that technology can cope with its own problems. We know from the evidence around us, in Canada and elsewhere, of pollution, to mention one aspect, of urbanization, to mention another, that technology in our day, by our decision, will be either the monster or the miracle of human intelligence on this planet.

The Hon. the Speaker: This inquiry is now considered as having been debated.

FOREIGN AFFAIRS

NOTICE OF COMMITTEE MEETING—QUESTION

Hon. Jacques Flynn: Honourable senators, may I ask the government leader what would happen with respect to the meeting of the Standing Senate Committee on Foreign Affairs next Tuesday if in the meantime Parliament was dissolved?

[Hon. Mr. Grosart.]

Hon. Mr. Martin: I think under the rules it could not meet. I do not suppose the committee could meet if that happened. I am not saying it will happen. I am not saying it will not happen either.

Hon. Mr. Flynn: I was not expecting you to tell me.

Hon. Mr. Martin: It was a good try.

THE ECONOMY

EFFECT OF HIGH RATE OF UNEMPLOYMENT AND INFLATION—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the inquiry of Hon. Mr. Welch, calling the attention of the Senate to the high rate of unemployment and inflation and the way in which they presently affect the economy of Canada.

The Hon. the Speaker: Honourable Senator Langlois.

Hon. Mr. Langlois: I yield to the honourable Senator Smith.

Hon. Donald Smith: Honourable senators, I thank Senator Langlois for yielding to me, although I hope honourable senators do not expect me to be bilingual.

I was interested in the remarks of Senator Welch, when he introduced this subject yesterday. I was equally interested in the off-the-cuff and spontaneous reply of Senator Buckwold. After thinking it over last evening, and after having an opportunity to examine the text of what Senator Welch said yesterday, I became convinced that it would be appropriate to make additional comments on this occasion. Therefore, I asked Senator Langlois if he would yield to me.

This is a very interesting and vital subject, and I am sure we welcome its introduction. I only wish I had the great skill of my colleague, Senator Buckwold, and was able to make one of those spontaneous replies of which he is capable, and to coin phrases on the spot that bite a little harder than perhaps I intend to bite. Senator Welch, I suppose, had some time in which to compose what he said. His speech contained some exaggerations, which I suppose can be called hyperbole—a word which I thought I caught at one time. Politics is full of hyperbole, but it does not disturb those of us who have been associated with politics in one way or another for many years.

I have been a member of the Senate for nearly 17 years. Perhaps some of my oldest friends here will have noticed whether I have lost some of the partisanship I had when I came to Ottawa to spend some years in the other place. I had difficulty restraining myself when my good friend touched on several subjects—and I want to interpolate here that he is really a good friend. I have become well acquainted with both Senator Welch and his wife over the years, and we have a natural friendship for each other because we are "all Nova Scotians together." I think that was a phrase used by the owner and publisher of the Halifax *Chronicle-Herald* at one time, when he said he would not criticize anyone, not even the Premier of the province, because "we are all Nova Scotians together."

• (1430)

Hon. Mr. Martin: Senator Welch is looking at you very affectionately.

Hon. Mr. Smith: He has had his say, and I may irritate him because he has no right of reply in this kind of debate, although I noticed yesterday that he did rise with leave. Surely he does not have a right of reply, and surely we are not going to give him the right to do so "later this day."

Honourable senators, I should like to become a little more serious on this, and say that there are several areas which I think were not covered fairly, and I would like to speak for a few minutes on them.

I would say that our sound system does not work too well in certain areas of this chamber, and some of us in this section had difficulty in hearing all that Senator Welch said, but as I read his speech this morning it seemed to me that there are some parts that call for reply.

Senator Welch is an old-fashioned Progressive Conservative. He thinks all governments are horrible, and that the government should keep its nose out of the people's business. That used to be a fashionable thing to say, and it had a lot of merit, but I think it no longer has the same quality of merit that it used to have. If people from any part of this country have any reason to approve of it, they are the people of the region from which we come, and specifically the Province of Nova Scotia. When you protest the government's sticking in its nose and instituting programs which they do not know how to run, then you are talking about DREE—the Department of Regional Economic Expansion—and all the things that DREE has done to upgrade the economy of the Maritimes and Newfoundland over the last five years. DREE is a new approach rather than a condensation or a bringing together of the various programs which were used to assist in regional problems just a few years ago.

Let us get down to basics. For example, I wonder whether the magnificent new addition to the Michelin tire plant would be in existence today without that $8 million grant given by DREE just a few weeks ago, and which enables them to have an economic operation in the town of Bridgewater. Michelin has some problems today resulting from the present policy of the United States. The government of that country are making noises which indicate they may attempt to jump over the inhibitions presented by their membership in the General Agreement on Tariffs and Trade, and make it embarrassing or difficult for Michelin to export their product into the United States. I do not think they are going to do it. I do not think they can take their place and live in a world where expanded and liberalized trade is the one thing which will lead to worldwide prosperity more than any other factor. I do not believe for a moment they are going to do it, and I do not think Michelin is too worried about that.

Michelin built its factory at Bridgewater. I speak now of an area where the people have excellent reputations for being good workers. Quite a number of workers in that Lunenburg-Queens County area have been sent to Paris. They were sent there a year ago, when the Michelin plant was first conceived and was under construction, in order to get training in the Michelin factory there. It is a secret process, and they were carefully selected. I am given to understand they are more than satisfied—indeed, more than happy—with the young labour force encountered in that part of Nova Scotia. I suppose the same can be said of those in Pictou County.

I wonder how many fish plants we would have had constructed in Nova Scotia in the last few years if it were not for DREE, and the organization that preceded DREE. There have been enlargements, one after the other, of already established fish plants. Today, in my area of Nova Scotia, we have two of the largest self-contained fish packing plants in the world. And I do not think the end has yet come. These fish plants have only one problem. They are quite concerned about being able to keep up an adequate supply of the basic product which they manufacture into various forms. They have been a great success.

I have known people in the fishing business all my life, and I have talked to those who have now retired from active participation in the fish business. All agree that the time is long gone when that kind of business can exist without the government "sticking its nose in." I do not think those are the exact words of Senator Welch, but that is the meaning of what he said. There was a time when the grandfathers of those people would be a little ashamed, if they had to seek government help to make the operation of a fish plant in Nova Scotia successful. But that day is gone. This is one of the finest investments the Canadian taxpayers can make. All this money comes back to the federal treasury in due course.

Hon. Mr. Flynn: Do you think you are right in saying all of this money comes back? I think you would be more accurate if you said part of this money comes back.

Hon. Mr. Smith: I am talking about the fish industry right now and I repeat—

Hon. Mr. Flynn: You used the word "all."

Hon. Mr. Smith: I am talking about the very successful plants, and there are quite a number of them on the south shore of Nova Scotia, where I live. All of this money will eventually come back to the national treasury.

Hon. Mr. Flynn: That is exaggeration.

Hon. Mr. Smith: It will come back by way of taxation. Some people think that taxation is so high.

Hon. Mr. Flynn: Not from the bankrupt organizations.

Hon. Mr. Smith: Perhaps I could just continue my chain of thought. If there are any questions, I shall be glad to deal with them later. If you interrupt me now I shall speak for too long, and we may want to have royal assent tomorrow night.

Hon. Mr. Flynn: Are you sure that is what you want?

Hon. Mr. Welch: I want to ask one question. Are you replying to the remarks I made yesterday?

Hon. Mr. Smith: I am replying to certain things that were said.

Hon. Mr. Welch: If you are, why do you talk about DREE? I did not say anything about DREE. I talked about other things—monstrous things.

Hon. Mr. Smith: Just let me continue. I do not think that is a valid interruption. I will just quote one sentence from the text I saw this morning:

> Governments are creating far more problems than they solve.

There is another passage, which I cannot find at this moment but which in strong language said that the government should keep its nose out of the peoples' business. Those are not the exact words, but that is my version of them. There are many things in that speech that I do not intend to reply to, but I am concerned about the kind of thinking that is at the back of what my friend said.

Turning now from the fishing industry, I would urge that we have more of these support programs and more equalization grants. About 34 per cent of the income of my own province comes from equalization grants. Let us have more of them. Many millions of dollars have been pumped into Nova Scotia to upgrade the highways, which make it possible for Senator Welch to get home in half the time he took just a few years ago; to build some bridges up in his part of the country which were beyond the capacity of the Province of Nova Scotia, with its tax base, to construct. If that were not so, surely they would have been constructed long ago during the great days of the Stanfield administration.

It is this kind of thing I am talking about, and this is because this government is sticking its nose in people's business. I am all for it, and I wish there were more of it.

I am concerned about the general tone of Senator Welch's remarks about this government having been such a horrible government that the whole economy—this is one phrase that I have underlined—was almost an "economic havoc." Well, I do not know who is creating all the "economic havoc," but if there is economic havoc then I should like to see more of it created in Nova Scotia.

The part of Nova Scotia from which I come is a beautiful place. Those of my friends and colleagues who have visited there will agree with me on that score, I am sure. I would point out that we have some healthy industries there, industries that are very pleased to have the kind of treatment they are getting from this government. I need refer to only one, a company in my own home town which employs a thousand men at a minimum wage of about $4 an hour. Last year that company operated at 92 per cent capacity. That may not be the exact figure, but it is about right. In the process of so doing they made less money than they did the year before, but even so their after-tax profit as declared just a very few days ago was over $1 million.

• (1440)

I have the definite understanding that the accelerated depreciation available to manufacturing and processing companies is a godsend to them. It will do several things for them. For instance, when they need to replace old machinery—machinery that is redundant—or revitalize old machinery, they are able to do so because of the accelerated depreciation, and that will help put them back on a sound economic basis.

These measures will also enable them to make the rather substantial expenditures for anti-pollution equipment necessary to clean up the beautiful harbour on which the mill is situated. If they did not get that kind of encouragement, it might be embarrassing.

[Hon. Mr. Smith.]

Above all, the advance notice to manufacturing and processing companies that as of January 1, 1973, the corporation tax is going to be reduced to 40 per cent is one of the greatest incentives there could be for increasing the numbers of jobs, and maintaining the jobs that now exist, in manufacturing plants all over this country, including those in the province in which I live.

Honourable senators, I did not intend to get heated. Perhaps if I had not been interrupted several times I would not have spoken with what might be considered too warm tones. I want you to know that I do not intend to be too warm in this matter.

Hon. Mr. Flynn: Why not? Be yourself.

Hon. Mr. Smith: I have the quite worrisome feeling that there could be someone in this chamber who would, not just haphazardly but deliberately, choose from a large list of local initiative programs that have been instituted in this country from coast to coast, the relatively few with kooky names and apparently kooky ideals. That someone would do that without indicating exactly what use was being made of the grants for those particular programs is something I find hard to understand.

Hon. Mr. Welch: "Kooky names" and "kooky ideals" pretty well describe them, don't they?

Hon. Mr. Smith: I wonder if I might continue without being interrupted.

The Hon. the Speaker: I remind the house that any honourable senator is permitted to ask a question of the senator who has the floor. That senator might decline to answer, or might ask that the question be put at the end of his speech. I believe it is better that we proceed in that way. At least, it would make it much easier for the chair.

Hon. Mr. Smith: Thank you, Mr. Speaker. Certainly, I can answer questions at the conclusion of my speech, but of course the more interruptions there are the longer I shall be.

Hon. Mr. Flynn: That suits the government leader perfectly.

Hon. Mr. Smith: Recently, one of our colleagues inquired as to the Opportunities for Youth Program in Nova Scotia. From the list which was tabled, and from additional information I received, I prepared a memorandum which I passed on to people I knew would be interested. It was a list of those programs which have operated in the south shore area of Nova Scotia.

Those of us who have anything to do with such matters know that they are divided into two classes. First, there are those projects which are applied for and operated by municipalities. To cite some examples, the town of Lunenburg had two such projects. It received a total of $72,000 for doing work in the town, which resulted in 39 men being employed during the winter and early spring season. I would not want to tell them that that was a kooky project. The town of Shelburne had two projects that employed a total of 43 people, at a total cost of $43,000. I would not want to tell them that that was not money well spent.

The town of Lockeport had a $10,820 grant and employed seven people. The municipality of Queens—that is the rural area in which I live—employed 51 people for a

total expenditure of $51,000. The town of Bridgewater had $18,000, and there are other examples I could give.

I am sure we cannot make a blanket criticism of LIP, and not consider all those very worthwhile projects. Several years ago this side of the house was criticized severely because of the cancellation of the old program of winter works, but this present program is a far better winter works program than we ever had before in our history. It was initiated by the people who wanted projects, and it was arranged by them. The money was spent by them and the men were hired by the people concerned. It was all very productive. Jobs were created, and people were taken off the welfare rolls. Some of those people would have been on welfare, and the others would have been on unemployment insurance.

You cannot have it both ways. You cannot say, on the one hand, that you are sick and tired of all this welfare and that people should be made to work for their living, that the unemployment insurance is being squandered and that the people who take it should be made to work, and then, on the other hand, criticize imaginative programs which involve the people on welfare and unemployment insurance, and give them a chance to work. Those people accept that chance. They work, they pay taxes, they put their money into circulation, and they keep businessmen going. In fact, they even keep the barbers going. Even the barbers' cats have a chance to drink milk once in a while because of those projects. The total economic effect of this vast program all over the country has been of terrific significance. The total spent in those south shore municipal projects was almost a quarter of a million dollars.

I have another list which I might put on record on another occasion; it is not necessary at this time. Could anyone object because the town of Bridgewater, which has been straining itself trying to gather together enough money to build a decent swimming pool for its youngsters, has now taken advantage of LIP? The town applied for a grant, received it, and put 15 people to work during the off-season. Those 15 people would otherwise have been out of work. The town spent $28,000. Is that not a good cause?

Hon. Mr. Welch: That is $28,000 out of taxes people cannot afford.

Hon. Mr. Smith: I would not want to go back to my own home town and tell the young people of the Kinsmen Club and the Lion's Club, who have been engaged in a project to build a new rink in the town, that what they were doing was not worth-while. That is the first rink built in that town since I was a boy of twelve. We could never get enough money together to undertake a project of that kind. Construction of the rink was commenced but not completed. Those young people got a grant of over $15,000, and they put 18 men to work. So far as I am concerned that serves the public interest. I do not mind paying my share of taxes for a thing like that.

Moreover, I certainly do not object because the Clark's Harbour Baptist Church requested a grant to paint the church. I do not object at all because the Bridgewater Memorial Arena had a building project, and spent $52,000 which made available 40 jobs this winter. I do not object because the Lunenburg County Association for the Mentally Retarded created 10 jobs in work with mentally retarded adults in the community, and spent $6,786.

• (1450)

There are others on the list. Senator Welch has never totalled these figures of federal contributions to projects in the Province of Nova Scotia, but they amount to $10,500,000. That money created 6,863 jobs, and the average pay per job was $1,395. I think LIP is pretty good.

I wish to illustrate why I feel LIP and the Opportunities for Youth Programs are not all bad. I was asked some time ago if I would use my influence to obtain two grants under the Opportunities for Youth Program. These two projects had been approved by the town council of Liverpool, but apparently they are not going to be accepted. I soon discovered—and it was a great revelation to me—that local politicians have nothing to do with such matters. I was told very politely, "We are happy to have your recommendation," and that was the last I heard of it. However, what did we obtain in Liverpool? In my opinion we got something more worth-while than those two smaller projects which I was endorsing. We received a summer school for exceptional children. I will tell those of you who are not familiar with the phrase "exceptional children" that it means mentally retarded children. This is an educational program for mentally retarded children aged from 4 to 18 years in an endeavour to supplement the public school program. This also provides them with swimming classes, field trips, and social outings. I do not know of anything more deserving of a grant of money which will provide employment for 10 university students who are endeavouring to gain experience. I am sure they will derive a great deal of joy from their attempt to assist a class of people who deserve all the help they can get.

Mahone Bay Community Service for the Mentally Retarded received $14,630. This is a community which in the last few years has been endeavouring to obtain voluntary help for the mentally retarded. If this project can be furthered in any way, I am all for it. The grant provides 20 jobs, and I think this is money well spent.

Shelburne received $6,000 for a study on pollution around the Shelburne harbour, and to create public awareness of this problem in an endeavour to obtain better sewage treatment. I am happy to see young people involved in these issues. Another project is a summer recreation program for rural children aged from 4 to 12 years. There are many other examples, and I cite these merely for the record. I did not select any of them in particular. I am merely illustrating the programs involved. I hope I have not irritated my friend.

There was one point in Senator Welch's speech which made me wonder about his political philosophy. He indicated he was in favour of a guaranteed annual income as long as it did not involve paying welfare plus a guaranteed annual income. Senator Croll will be interested to know he has converted my friend to this attitude. I am not so sure I am ready to accept that at this point. I am leaning toward that view, but not quite so far as my friend, Senator Welch, is.

I am not prepared to speak at great length on this matter. Since I am not prepared, it is difficult to time my speech. But I was interested in the terms of the inquiry which reads:

That he will call the attention of the Senate to the high rate of unemployment and inflation and the way in which they presently affect the economy of Canada.

Of course, unemployment affects the economy of Canada. High unemployment would affect the economy a whole lot more if we did not have in effect a rather generous and greatly improved system of paying unemployment insurance to those who have no chance of obtaining work. The unemployment figures would swell if people did not obtain what has been referred to as make-work jobs. They did not create the work; it was there to be done. They are being paid from federal funds for this work, which I think is better than receiving welfare.

I will be careful in phrasing my next point. I have been associated with the Liberal Party all my life. I assume my friend, Senator Welch, has been associated with the Conservative Party for even a longer period of time. During this period of high unemployment, which I acknowledge presents a very serious problem, if the tables were turned, I would be rather embarrassed to put an inquiry of this kind on the Order Paper, drawing attention to the high unemployment. I think we should give attention to developing programs that will lessen the effect of this difficult situation.

I looked up some information contained in a report of the Special Committee on Manpower and Employment. I was acting chairman of that committee for a period of time while my friend, Senator Méthot, was absent from Ottawa. It dealt at great length with this problem, and I feel it was a worth-while study. These tables indicate that as of May 20, 1961, the unadjusted unemployment rate, or the raw unemployment rate, was 9.3 per cent. The latest unadjusted unemployment rate in this country is 5.8 per cent.

Hon. Mr. Flynn: What does the term "unadjusted" mean?

Hon. Mr. Smith: I will not go into that.

Hon. Mr. Flynn: I was in the other place when Senator Martin was discussing unemployment in 1961, and there were unadjusted figures from "Martin's Bureau of Statistics." I was wondering if you were referring to them.

• (1500)

Hon. Mr. Smith: I always enjoyed Senator Martin's personal book from which he quoted those statistics. These are the raw, actual percentages without any adjustment for the seasonal factors involved. You are on safe ground when you compare apples with apples. The unadjusted unemployment rate in 1961 was 9.3 per cent, whereas the latest figure is 5.8 per cent. In the Atlantic region at that time the unadjusted unemployment rate was 18.1 per cent. As of April 1972 the unadjusted unemployment rate for the Atlantic region was 10.9 per cent.

The other item that I turned up demonstrates how horrible unemployment was in the winter of 1961.

Hon. Mr. Grosart: You are talking about the other Liberal recession.

Hon. Mr. Smith: I am talking about 1961.

Hon. Mr. Grosart: That is what it was—a Liberal recession.

[Hon. Mr. Smith.]

Hon. Mr. Smith: I turned to another column on winter unemployment in a special study carried out by a Professor Judek, who was on the staff of Carleton University. It indicated how high winter unemployment was in those days. We think that Bathurst is in trouble these days. The percentage of the work force registered as unemployed in Bathurst was 44; in Saint John, 24 per cent; in Moncton, 23 per cent; in Cornerbrook, 23 per cent; in New Glasgow, 21.3 per cent.

Hon. Mr. Welch: You are talking about 11 years ago.

Hon. Mr. Smith: We have a long way to go before we get back to the 1961 figures.

Hon. Mr. Welch: If this government keeps on the way it is going, we will soon be there.

Hon. Mr. Smith: These are facts. I am not selecting them carefully, but they are from information in my hands. I am putting them on record to show the other side of the coin, which was pretty grimy, that we had a look at yesterday. Let me come now to my final paragraph, if there is such a thing.

Before we talk ourselves into a state of mental depression, as some honourable senators on the other side of the house seem to be doing, may I say that such talk encourages low expectations and is harmful. It represents a low expectation of Canadian economic prospects. In my view, it is time to pull the plug, to find out how many of us really do support Pierre Elliott Trudeau.

Hon. Mr. O'Leary: On the assumption that this is not a pre-election private fight between two Nova Scotia partisans, and that anyone can get into it, I move the adjournment of the debate.

Hon. Mr. Carter: Honourable senators, I wish to speak on this inquiry, if I am permitted.

The Hon. the Speaker: There is a motion for the adjournment of the debate. The practice I usually follow, when an honourable senator moves the adjournment of a debate and another honourable senator indicates his desire to speak, is to give the floor to that honourable senator. Perhaps Senator O'Leary might adjourn the debate after Senator Carter has spoken.

Hon. Mr. Flynn: On a point of order, if one honourable senator moves the adjournment of the debate and another honourable senator indicates his desire to speak, if the one who has moved the adjournment wishes his motion to be put, then it has to be put. It depends on whether the honourable senator is prepared to yield. We are not obliged to yield all the time, even though we are only a few in number.

The Hon. the Speaker: That was my purpose in making my comment—

Hon. Senators: Yield.

Hon. Mr. Flynn: Once again we will yield.

The Hon. the Speaker: Order. We have had a motion. Before I put the motion, I should like to inquire if Senator O'Leary insists that I put his motion.

Hon. Mr. O'Leary: I am glad to yield the floor to Senator Carter, provided that he does not wish me to remain and listen to him.

Hon. Chesley W. Carter: I thank my honourable friend, Senator O'Leary, for permitting me to proceed. When he rose in his place, I was uncertain whether he was going to ask a question or whether he was going to participate in the debate. Perhaps I did not stand up as fast as I should. I am quite happy not to inflict upon the honourable senator any more punishment than he can bear, so he may feel free to leave the chamber at any time.

Hon. Mr. O'Leary: Thank you for small mercies.

Hon. Mr. Carter: However, in the course of my remarks I shall refer to some of the honourable senator's speeches.

Hon. Mr. Flynn: Did you prepare that speech last night?

Hon. Mr. Carter: No; since I have been sitting here.

Hon. Mr. Flynn: Not on the suggestion of your leader?

Hon. Mr. Carter: Senator Welch, in his speech yesterday, raised some very interesting points, and it is proper that we should debate them now while the issues are hot. I can assure Senator Welch and Senator O'Leary that I will not be very partisan. I have nothing against partisanship, although Senator Buckwold was a little surprised yesterday to find that kind of note in this sedate and august chamber. Partisanship can be a lot of fun.

Hon. Mr. Flynn: Yes, with Senator Smith especially.

Hon. Mr. Carter: However, I doubt if it is a luxury that we should indulge in at this particular time in the history of our nation, because of the tremendous problems faced by the country and the tremendous wave of unrest which seems to prevail in different parts of our society and our country. I hope that for the sake of democracy we will do whatever we can to throw as much light as possible upon the issues involved, because democracy is no stronger than the individual who has to exercise his vote. To do that he must have some basis on which to make up his mind. Any remark or speech which creates suspicion or which distorts facts serves only to confuse the electorate, and when that happens both democracy and Canada suffer. I will not be partisan, because I do not think I would be doing a service to our country to take that kind of stand at this time. I am a government supporter; I am a member of the Liberal Party, but I have not always agreed with what the government has done.

• (1510)

Hon. Mr. Flynn: You have never always said so.

Hon. Mr. Carter: I have said so, too. Many times I have voted against the government in this chamber and I am prepared to do so again when a principle is involved.

Hon. Mr. Flynn: That is a threat that your leader will not forgive.

Hon. Mr. Bourget: He is asking permission.

Hon. Mr. Carter: I think the starting point, if we are going to enlighten the people of Canada about the issues facing us at this time, is to point out to everyone what a difficult country Canada is to govern. There is no country in the world as difficult to govern as Canada.

Hon. Mr. O'Leary: What about Ireland?

Hon. Mr. Carter: Well, they do not have a government over there.

Hon. Mr. Flynn: Oh, oh.

Hon. Mr. Carter: No other country has such a vast expanse of territory or such vast differences in climate and natural resources or in distribution of population. Whatever measure is good for one part of Canada is almost bound to be bad for some other part. So the government has to keep looking at the national scene and must endeavour, as best it can, to draw a medium line that will not be completely satisfactory to everyone but will at least be acceptable to the majority. That is a fact of life, both economically and politically in this country, and I think it is time that the people understood that. In my opinion, we as parliamentarians have a duty to emphasize that whenever we can.

Senator Welch referred yesterday to the tremendous peacetime expenditures by this government. His remarks brought to mind a brief which came to my desk a few days ago from the Canadian Chamber of Commerce. It was their pre-budget submissions to the government and, particularly, to the Honourable John Turner, Minister of Finance, and the Honourable Herb Gray, Minister of National Revenue. In their brief they raised this very point. The brief suggested that the government should curtail expenditures on the grounds that those expenditures contributed to inflation. Well, I made it my business to attempt to get some information on government expenditures, and for that purpose I went to Statistics Canada. The latest figures they could give me were for 1969-70, so they are almost three years old. That in itself, honourable senators, is one of our problems. It is a fact of life in Canada, unlike most modern countries, that we do not have available up-to-date statistics on which to develop coherent up-to-date policies. In any event, I found that in 1969-70 the total expenditure by the federal government was in the order of $14.5 billion; by the provincial governments, over $12 billion; and by municipal governments, another $6 billion. In other words, spending by municipal and provincial governments totalled close to $19 billion as against $14 billion by the federal government.

I should point out here that of the $14.5 billion expenditure by the federal government, over $1 billion went to the provinces in the form of unconditional grants and another $2 billion plus in the form of conditional grants. That meant, of course, that of the $14 billion chalked up as an expenditure by the federal government over $3 billion was not spent by the federal government at all but was, in fact, spent by the provincial governments. Therefore, the total expenditure by the federal government was down to around $11 billion as compared to almost $19 billion by the provinces and the municipalities.

I wrote to the Canadian Chamber of Commerce telling them that I appreciated that it is always good to curtail expenditures whenever possible, but why are they always admonishing the federal government, the smallest spender, without pointing out to the provincial and municipal governments that they are contributing to inflation and to overspending much more than is the federal government.

There is another factor to be considered in the federal government's expenditures. A large percentage—I have not been able to get this figure, although I did inquire and was promised it—a large percentage of the federal government's expenditures is statutory. They are required by

law. Perhaps Senator Martin can give us that figure. I believe it is over 70 per cent, which means that the federal government has very little room to manœuvre when it comes to curtailing spending. It only has about 25 per cent or 30 per cent of the budget in which to manœuvre in order to curtail any spending at all. While it is good to emphasize overspending and to emphasize the need for curtailment, we must realize that it is not at all easy to put into actual practice. It is one of the most difficult things, I suppose, that any government can do, particularly when everyone—members of the government, senators, municipal and provincial officials—is urging the government to spend more.

Senator Smith today, and Senator Buckwold yesterday, dealt extensively with the Local Initiatives Program and the Opportunities for Youth Program. I do not intend to repeat anything they have said, but I want to make this particular point: I do not look upon these programs as makeshift programs or short stopgap programs to create temporary employment. I feel that these programs represent the shape of things to come. I appreciate that Senator O'Leary is a strong free enterpriser and an enemy of the welfare state. I am thinking particularly of his contribution to the debate in this chamber on the Report of the Special Senate Committee on Poverty in Canada. I can assure Senator O'Leary and other senators that I too am concerned about the welfare state, but when I look at the problems we are faced with I cannot find any other solution. Senator O'Leary will remember he told us that when he was a boy he was fortunate enough to have as a friend a priest who gave him books, from which he learned to read; he went out into the world and worked here and there and gradually worked himself up. A lot of us did that. Many of us went through that process.

• (1520)

The point I am trying to make is that that day has gone, and gone forever. We are in a different world, we are in a different kind of society, and the opportunities we had 50 years ago will never return.

When Senator McGrand made his speech on poverty he gave a description of what had been done in Iceland, Greenland and other Scandinavian countries. No doubt what had been done was good, but he told us it took them 30 years to do it. We do not have 30 years to go back and start from scratch to build up to where those countries are now, because we are living in the now and we have to deal with the problems as they are today.

We are living in an age of technology when jobs are disappearing almost as fast as, if not faster than, new jobs can be created. Our work force is expanding at the rate of two to three per cent a year, so we must expand our economy at the rate of two to three per cent a year merely to keep up with the additions to the work force. If we want to improve our standard of living we must increase our GNP by another one or two per cent.

As Senator Buckwold pointed out yesterday, Canada is passing through a period of abnormal increases in its labour force. It is increasing faster than that of Britain, France, Germany and some other European countries combined. Yet, in the face of that abnormal situation, the government policies have succeeded in creating nearly 350,000 jobs. I do not think anyone can say that is a bad record.

What I am leading up to is that I think there is a limit on what the private sector, upon which all free enterprises rely, can produce in the way of jobs in Canada. When we have reached that point in Canada, what do we do? My suggestion is that we do what we are doing today. The LIP program and the OFY program are experiments. They are based on a different concept in the work ethic. I may be pessimistic in this regard but I am afraid the day has gone when there will be a job for everyone who is willing and able to work. I do not think the private sector can provide that. I believe we must revise our ideas about what is full employment. Ten years ago it was regarded as full employment if there was four per cent unemployment. I do not think that is full employment today. Today that figure probably has to be revised to five per cent, which is the best we can now do.

If we contemplate the history of industrial development and go back to the Industrial Revolution, it will be remembered that at first the machines put a lot of people out of work. Eventually, however, people were needed to run the machines, so that those who had been put out of work got employment running the machines. But we do not need people to run machines any more. Today we have machines that can run machines. I believe that will create a situation in which some people will not be able to work in the kind of job that we ordinarily call employment, and they must be given some other way to make their contribution to society so that the nation will still have the benefit of their brains and creativity. If they cannot contribute to the production of wealth, if their efforts are not needed for the production of wealth, then we must utilize their contribution for the quality of life.

That is my interpretation of what these programs are intended to do. Initially they are only in the experimental stage, and no doubt a lot of mistakes have been made, but we will learn by those mistakes and hopefully improve on the programs. I believe they will become a permanent feature of our society, because I think they are filling a need that the private sector will not be able to fill.

There has been a lot of talk about inflation and it has been said that government spending contributes to inflation. Probably it does. But here in Canada we must never overlook the fact that a lot of our inflation is imported. If we did not spend anything we could not control that type of inflation because it is created outside the country. As long as we are a trading country—and we must trade to survive—then we must import and consequently import that inflation. Inflation is not a simple thing; it is not just too much money chasing too few goods or the cost-push-pull of prices and wages. Taking the record of inflation, I cannot fault the government on its record. It has held inflation in check better than any other industrialized country in the world, so much so that the government is being blamed for putting too much emphasis on the need to curtail inflation and not enough on unemployment.

It must be realized that there are no instant solutions to these problems, that it is not simply a matter of curtailing

expenditures or even of controlling prices. It will be recalled that last year the federal government asked for voluntary restraints; they asked both the business community and the labour organizations. The business community went along with it and did what they could. I am not judging them, but some cynics say the business community knew it could not increase prices anyway, so it was very easy for it to go along with the government's request. That is the argument on the labour side. The labour unions themselves rejected the plea out of hand; they did not even offer to consider it or to try it to see whether or not it would work, and now they are blaming the government. I remember quite well what happened six years ago. It was shortly after I came to this chamber. I was appointed in July and my first session was when the Senate reconvened in the fall of 1966. I was fortunate enough to become a member of the Special Joint Committee on Consumer Credit and Cost of Living. If honourable senators would cast their minds back to those days, they will remember that in the fall of 1966 prices were rising very rapidly, everyone was crying out about inflation and about the cost of living. In the House of Commons nearly every day in November questions were put to the Minister of Finance as to what he intended to do about the increases in the cost of living, as to when he would bring in a mini-budget to curtail them, or bring in a deflationary budget to cool off the economy.

• (1530)

It so happened that at that time there was a filibuster going on in the other place. I forget what it was about, but I think it was about the death penalty. There was also a long debate on interim supply, and very little time was devoted to legislation. This question kept popping up. The Ottawa papers were running editorials asking when the government intended to do something. Fortunately, nothing happened and eventually we saw that the economy was cooling down on its own.

I will never forget this, because this has imprinted itself into my mind. The following February, around February 2, we had a meeting of this joint committee I referred to, and there appeared before us a Mr. W. A. Beckett of Beckett Associates, a small firm in Toronto.

Hon. Mr. Benidickson: Small or not, Mr. Beckett is frequently quoted.

Hon. Mr. Carter: Mr. Beckett came before us and he brought his own monthly charts which he had kept from the beginning of 1966. He showed us then—this was in February 1967—that in 1966 the economy had started off well and strong and had kept expanding until June, but when September came the economy had turned down. If the Honourable Mr. Sharp, who was Minister of Finance at that time, had heeded the pressure, given in to the pressure put on him by the official opposition, and the exhortations by the press and consumer societies and so on, and if he had brought in a deflationary budget at that time, he would have accelerated the deflation that had already set in in September and plunged the country into one of the worst recessions we have ever had. This raises the question as to why a firm in Toronto could have got more accurate figures than Statistics Canada, but that was so, and they were right.

We have to be very careful when we are dealing with very serious issues that we do not misinform the public, that we do not undermine their faith in the system or in the government. I do not think undermining faith in the government or institutions accomplishes anything. Our democratic institutions are under such severe attack these days that it is too serious even to contemplate that sort of action.

We must be reponsible and we must to the best of our ability state the facts as they are, so that the people in turn will be able to make up their own minds in due course, on fairly authentic facts, free from suspicion, free from rumour, and free from distortion.

Honourable senators, that is what urged me to intervene in this debate today. I could go on but I do not wish to take up any more time or inflict any more punishment on Senator O'Leary, who has been so very kind to sit through all I have had to say.

On motion of Hon. Mr. O'Leary, debate adjourned.

PEOPLE'S REPUBLIC OF CHINA

TRADE AND GOODWILL MISSION OF CANADIAN SENATORS AND BUSINESSMEN—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of Hon. Mr. Cameron, calling the attention of the Senate to the recent trade and goodwill mission of a group of Canadian Senators and businessmen to the People's Republic of China.

Hon. Muriel McQ. Fergusson: Honourable senators, my first words must be a warm welcome to the four senators who have so recently joined us. Three of them are long-time friends. Many of us have watched with admiration the great contribution Senator McIlraith has made over the last 32 years in the other place, and we all look forward to his partaking similarly in the work of this house. Senator Norrie and Senator Hicks I meet often at our alma mater—Mount Allison University in Sackville. From our association on the Board of Regents of that university, I know they have great ability and have much to contribute to the work here. Senator Graham is a new friend from whom we all expect great things.

I welcome this opportunity to say a few words about my recent visit to the Republic of China as a member of the Banff School of Advanced Management tour under the leadership of Senator Cameron.

This is the third Banff School of Advanced Management tour in which I have been privileged to participate, the others being to Russia, Czechoslovakia and Poland, and to the Middle East. All of them have demonstrated Senator Cameron's great ability as an organizer and his unusual capacity to make friends with people whether or not he can speak their language. These goodwill and study tours are completely at the expense of the participants and are not subsidized in any way by the government or anyone else. They are arranged by Senator Cameron. He has almost unbelievable connections with people throughout the world—many through students who have attended the Banff School of Advanced Management. You will remember he told us that that school sets aside 10 per cent of its places for what he calls offshore students—that is, students from other countries. These annual tours of the

Banff School of Advanced Management are doing a great deal to promote friendship, good will and understanding toward Canada and Canadians amongst the people of many foreign countries. They also promote amongst the Canadian members of the tour parties similar friendship, good will and understanding toward the people of the countries visited.

Honourable senators, friendship was certainly what our group found in the Republic of China. The four guides who were with us throughout the 15 days we spent in China were so thoughtful, kind and helpful that we felt sincere regret when the time came for us to part. We felt that they had become real friends. They made enormous efforts to make it possible for us to see the things that our members asked to see, and in every instance our requests were met. This was not easy, for we were a mixed group with a variety of interests.

• (1540)

Other guides joined us in each of the cities we visited, and on our second visit to Canton, when we attended the Canton Trade Fair, about which Senator Cameron told us yesterday, a number of students attending the Foreign Language Institute joined us. We were surprised to have so many people with us, although it was indeed a pleasure, but we learned that it was considered excellent experience for the students at the institute to have an opportunity to speak and listen to the languages they are studying. That opportunity would come to them, naturally, because of their presence at the Canton Fair. Not only students studying English were at the Fair, but also those studying Italian, Spanish and several other languages.

Like Senator Cameron, I was greatly impressed by the cleanliness throughout the country. On seeing the white slip covers over the seats in the station lounges and in the trains, I thought of the tremendous amount of laundry involved, for they were all so sparkling white and unmussed. They must be freshly laundered every day. There is no litter anywhere, and after leaving the untidiness and smells of the station on the Hong Kong side it was a joy to cross the bridge into the Republic of China and to enter the massive, cool and very clean Shumchun station. The trains were good and also very clean, with white slip covers over all upholstery and lace antimacassars for further protection. The trains were mopped down before we left any station and at intervals throughout the train trips we made.

Senator Cameron has told you about the operations performed with acupuncture as an anaesthetic, so I will not go into that now. But next to those operations the highlight of interest for me was to learn about the methods of education which we saw in use in all schools, from those for the smallest children to the universities. Right from primary schools the Chinese combine theory and practice in their education, and I wish Canadian teachers could have an opportunity to study what the Chinese are doing because it seems very sensible to me.

As Senator Cameron told you, we saw small factories attached to schools. The children in those schools learn about the necessary parts for machinery made in the factories and about the theory of making fountain pens, for example. Then they are taught in the factories to make parts for machines and to make pens and other things about which they have learned. We actually saw them making the fountain pens, as Senator Cameron has told you. The products they make are produced for actual use. Another point that interested me in this was that the children work long hours in order that they might learn what it is like to work in a factory.

The children are also taught about plants and plant life. Not only do they learn about these things in school, but the same children spend time in the fields or rice paddies, accompanied by their teachers, and both teachers and pupils do the actual work of planting and harvesting the crop which the students have learned about in theory in the classroom. That is merely an example of the sort of thing that is done, but practically everything the students learn in theory they learn to do in practice, if at all possible.

Articles, even recent articles, I have read about the Republic of China have mentioned that the people look glum or straight-faced. My personal experience does not support that. Many people greeted us with smiles. You may know that as a welcome Chinese people clap their hands, and it is the custom for those who have been clapped to clap back. As our group went through machine shops, factories, a commune where people were farming and into schools, it seemed as though one wave of clapping succeeded another. Certainly, this was very pleasant. This may have been because they knew we were Canadians. We certainly did not hide the fact. We all wore Maple Leaf pins. And it may have been because, as Canadians, we were fellow countrymen of Dr. Norman Bethune, who went to China to help the Chinese troops during the Japanese invasion and who died in China of an infection contracted while treating the Chinese and training them to care for their wounded. Although scarcely known in Canada, Dr. Norman Bethune is almost idolized in China where they regard him as an example of the kind of person they want to hold up to public esteem, as a human being with weaknesses as well as great virtues who sacrificed himself for others.

At the Cultural Palace we visited in Peking a large section is dedicated to him and the walls are covered with pictures of Dr. Bethune at work. We had asked to visit a class studying English. Incidentally, we were told that all the students have to take a second language and that the most popular second language is English. At any rate, it was arranged for us to attend a class, and when we did we found the lesson was about Dr. Bethune. It might have been more than just coincidence that that day's lesson was on Dr. Bethune, but possibly it was just sheer coincidence. In any event, it was obvious that such a lesson was part of the regular curriculum, and it was equally obvious that the students were very knowledgeable about the subject.

You will not be surprised to hear that I heartily support the suggestion made by Senator Cameron that the National Historic Sites and Monuments Board recognize as an historic site Gravenhurst in Ontario where Dr. Norman Bethune was born in 1890.

Because of statements I have made in this house, honourable senators will not be surprised to learn that I made many inquiries about the status of women in China. When the People's Republic of China was proclaimed at the

beginning of the present regime in 1949, it was specifically written into the constitution that women "enjoy equal rights with men in all spheres of political, economic, cultural, social and family life."

At the very beginning of the present regime the Minister of Justice and the Minister of Public Health were both women. Many other women entered government service in Peking as well as in the provinces. Since the Cultural Revolution in 1966 the number of women doctors has increased greatly. You may be interested to know, however, that there are no women lawyers—because there are no lawyers at all in China.

Some Hon. Senators: Hear, hear.

Hon. Mr. Connolly (Ottawa West): Shame!

Hon. Mr. Benidickson: That is one bad mark.

Hon. Mrs. Fergusson: Women have voluntarily entered the army, navy and air force, after having passed a physical examination. We were told and we saw that they work as men do in agricultural field work, pasturage, mining, foundries, irrigation, communications, transportation, all kinds of factories, commerce and public services. They believe that whatever men can do in these services women can do equally well. We saw them doing these things and were especially impressed by the girls operating cranes and other heavy machinery, as was mentioned by Senator Cameron yesterday.

• (1550)

By giving this equality to women the Republic of China has tapped a tremendous source of labour which is being utilized to the fullest. However, I have to differ from Senator Cameron when he says women run the country. Women make up only 30 per cent of the students at Peking University and, although we saw some women professors, I doubt if one-third of the professors were women.

Men predominate in the Communist Party at both local and national levels, although the women told us proudly that they were represented on the revolutionary committees, but certainly not equally with men.

Some women were among the groups that welcomed us on our various visits to important places, but certainly not a third and certainly not a half of such welcoming groups were women. We were also told that the old feudal-patriarchal ideology still prevails among the peasants or, as they are called now, the farmers, which results in lack of equality in some rural places and small towns, unequal pay being an example.

Chinese women have gone further toward equality with men than we have in Canada, as is evidenced by the statement regarding this matter which is written into their Constitution, which I read earlier. We do not have such a statement in our Constitution, and from my experience as a member of the Joint Committee on the Constitution, I have come to the conclusion that even if we should have a new Constitution it is doubtful that such a statement would be included.

I have mentioned my interest in the combination of theory and practice in the Chinese methods of education. I would like to speak briefly about the education of the very young children. I was impressed by witnesses who appeared before the Special Senate Committee on Poverty and who stressed that if children are to have equal opportunities, all children, and not only those whose families are in the middle and higher salary brackets, must begin their education at a very early age. I realized in China they are doing much better than we are in providing such education. Children enter the kindergartens very young, I think at about 18 months. We visited such kindergartens and found the children delightful, friendly, outgoing and much loved. Certainly they are not cowed or oppressed in any way.

When we visited the kindergartens and primary schools we were each met by two small guides who confidently took our hands and escorted us to where we were to sit. They sat near us and if we were to move to another part of the building we were visiting, they again took our hands and led us very carefully so that we would not miss a step or stumble. It was amusing to see some of the tall men of our party being led in this way by children who scarcely reached above their knees. We were touched when they would say to us in farewell, "Goodbye, Canadian aunties and uncles." In China children address all adults who are not their parents as "auntie" or "uncle"—which seemed to us a charming custom.

I think all of our group felt that the opportunities for the education and care of all young children are much more advanced in China than they are in Canada. I would be happy if our day care programs could be developed along the lines we saw there.

In China there is tremendous interest in opera and ballet. We saw two popular operas, one on the stage and one that had been taped. In every school we were surprised to find the children singing the songs and performing the dances from these operas, and doing so surprisingly well.

Hon. Mr. Connolly (Ottawa West): Senator Fergusson, was the music being performed western or Chinese?

Hon. Mrs. Fergusson: They were performing both.

Hon. Mr. Connolly (Ottawa West): What were the concert halls like? Were these performances being held in large theatres?

Hon. Mrs. Fergusson: The opera was staged in a large theatre, and the pictures were shown in a large theatre. However, I am referring to school children performing in the schools. Every child was learning this music and as they got older they naturally got better, but even the smaller children performed surprisingly well. We were surprised to see them being taught in this manner. We saw little children conducting orchestras and choirs. I am sure other members of our group would agree with me that they did this very well also. This certainly gives a wonderful opportunity for the development of any such talents that children may have.

What I would like to convey to you is that if you all made a visit to China just as we did, I feel sure you would have a much greater understanding of the people and greater sympathy for their unceasing efforts to increase their production so that they can compete with other countries.

The Chinese believe they will do this if they follow the sayings of Chairman Mao Tse-tung. Certainly, by apply-

ing his precepts of working hard and always continuing to try they feel they will succeed.

I do not know how many of these sayings and teachings you have read, but I find them interesting. I would like to read the three main Rules of Discipline and what are called the eight points of attention which Chairman Mao laid down for the army. Many of Chairman Mao's sayings, like these, are rules we could well adopt in our country, and if we did so it might mean that we, like the Chinese, would find we have less crime to deal with; and also like them, we might find an almost total absence of need for penal institutions which occupies so much of our time and money.

Hon. Mr. Benidickson: The doors in China were never locked either.

Hon. Mrs. Fergusson: Senator and Mrs. Benidickson were on this trip as well, and they contributed a great deal to our visit.

Hon. Mr. Choquette: I did not hear Senator Benidickson's remark.

Hon. Mrs. Fergusson: He reminded me that the doors in China were never locked. No doors were locked. One could not throw anything away. If one threw anything into the waste paper basket, one would be followed to the next town and the item returned.

• (1600)

Hon. Mr. Martin: The Leader of the Opposition could not have been in the country.

Hon. Mrs. Fergusson: I found this to be very interesting.

Hon. Mr. Flynn: The Leader of the Government will not provoke me, for the time being. I am keeping my ammunition.

Hon. Mrs. Fergusson: If honourable senators will permit me, I will cite an example of Chairman Mao's precepts. I assure you that they are not always like this. There are some that we would not agree with, particularly those that are critical of imperialism. The following rules or precepts apply to the army. There are three main rules. The first is, "Obey orders in all your actions." The second is, "Don't take a single needle or piece of thread from the masses." The third is, "Turn in everything captured."

There are eight points which must be observed. The eight points for attention are: speak politely; pay fairly for what you buy; return everything you borrow; pay for anything you damage. The last one makes me think of our motor vehicles which are sometimes damaged by those who will not admit that they have done so. The other points are: do not hit or swear at people; do not damage crops; do not take liberties with women; do not ill-treat captives.

Hon. Mr. Connolly (Ottawa West): They go rather far, do they not?

Hon. Mrs. Fergusson: It is too bad that all armies do not have similar rules. Honourable senators may say that I have been brainwashed, but I think I am a little too old to be influenced just because people are kind and friendly to me. Like Senator Cameron, I would like to see many more such visits exchanged between Canadians and Chinese, because we have much to learn from each other.

[Hon. Mrs. Fergusson.]

Hon. Mr. Connolly (Ottawa West): What kind of food did you eat? Was it Chinese or western food?

Hon. Mr. Choquette: Chop suey.

Hon. Mrs. Fergusson: We had Chinese food for every meal except breakfast. We all had a western breakfast. I think we rather liked that. It was delicious and different in each city

Hon. Mr. Connolly (Ottawa West): Did you eat with chopsticks?

Hon. Mrs. Fergusson: Yes, we did.

Hon. Mr. Connolly (Ottawa West): How are you with chopsticks?

Hon. Mrs. Fergusson: In the beginning it was a matter of survival, one had to use them if one wanted to eat, but later I was able to handle them quite well.

Hon. Mrs. Quart: Honourable senators, I think Senator Fergusson is too humble to mention the lovely ensemble she has on. It is fitting that she should wear it for the speech she has given. Having heard those two wonderful speeches, I felt that I was right there in China with them. In view of the fact that men are becoming more fashion conscious, I feel that Senator Fergusson should have taken off her coat to show off her gorgeous dress.

Hon. Mr. Flynn: Was it from China?

Hon. Mrs. Fergusson: From Hong Kong.

Hon. Mr. Cameron: I should mention that three-year olds can be seen in the school grounds playing ping-pong. They keep their interest in that sport all their lives.

Hon. Mr. Williams: I should like to direct a question to the honourable senator. During your stay in the Republic of China did you learn of any welfare payments being made to those who are needy, as we understand welfare here in Canada?

Hon. Mrs. Fergusson: No, we did not. They do not need it.

Hon. Mr. Prowse: I am a little intrigued by the honourable senator's reference to eating Chinese and western food. Did you use western cutlery to eat your meals, or did you use chopsticks? How does one handle a western breakfast of fried eggs, for example, with chopsticks?

Hon. Mrs. Fergusson: When we had a western breakfast, they provided knives and forks; everything was western.

Hon. Mr. Connolly (Ottawa West): Apparently they did not serve any jello.

The Hon. the Speaker: Unless any other honourable senator wishes to participate in the debate, this inquiry is now regarded as having been concluded.

CRIMINAL LAW AMENDMENT BILL, 1972

SECOND READING—ORDER STANDS

On the Order:

Second reading of the Bill C-2, intituled: "An Act to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the

Parole Act and the Visiting Forces Act".—(Honourable Senator Martin, P.C.)

The Hon. the Speaker: May I intervene at this point? A message has been received—

Hon. Mr. Flynn: I think we should complete the reading of this bill.

Hon. Mr. Martin: Stand until later this day.

Hon. Mr. Flynn: Is it the intention that the sponsor of the bill will speak on this today?

Hon. Mr. Martin: Yes.

Hon. Mr. McDonald: That would depend on the progress we make. I would hope so.

Order stands.

OLD AGE SECURITY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-207, to amend the Old Age Security Act.

Bill read first time.

SECOND READING

The Hon. the Speaker: When shall this bill be read the second time?

Hon. Mr. Martin: With leave, now.

Hon. Mr. Flynn: I said yesterday that I would give leave. However, I would like the government leader to place on record the reasons why we should dispense with the Rules of the Senate in dealing with a bill of this kind.

Hon. Mr. Martin: Honourable senators, as I indicated yesterday, or perhaps it was the day before, if the bill, which now comes to us for the first time, is not passed by tomorrow—and, of course, that is a matter for the Senate to decide—it will not be possible, according to the statement made by the leader of the house in the other place, for the June payments to reach the pensioners. This would involve a provision for an escalation to meet the cost of living, according to the consumer price index, and also to meet the increases in the GIS provided for in the bill.

As I am sure it is the desire of all honourable senators of all parties, as it was of all members in the other place, that these payments be made available to the pensioners at the first opportunity open to them under the statute, then it is desirable, in my view, to proceed in this way. May I say in anticipation that I thank the Leader of the Opposition for his co-operation in this regard. It is very important.

• (1610)

Hon. Mr. Flynn: Would the Leader of the Government make it clear on the record that his only reason for asking leave to proceed at this time is that it will make a significant difference in the time of sending out these cheques if this bill receives royal assent tomorrow afternoon instead of, say, Tuesday next? I am quite sure he realizes that Saturday, Sunday and Monday are holidays and the people charged with this task will not be working on those days. I want assurance on the record that there is no other purpose for his asking for leave, and that it does make a significant difference whether we give royal assent to this bill tomorrow night as opposed to Tuesday night. I want this to be clear on the record because that is what I understood from the Leader of the Government, but usually he keeps a few doors open. I should like him to make it quite clear on the record that this is his only reason.

Hon. Mr. Martin: Well—

Hon. Mr. Flynn: Can you answer yes or no?

Hon. Mr. Martin: I do not want to be asked if this is the only reason, but it is, in my judgment, a good reason. After this bill was brought down in the other place I discussed this matter with the Minister of National Health and Welfare and with the President of the Privy Council. I, myself, as a former Minister of National Health and Welfare, am aware of the problems in regard to getting these cheques out. The amounts concerned in my time were nothing like they are today. There was always a problem in getting them out. I was advised by the President of the Privy Council, as he said on page 2128 of Commons *Hansard* of May 10, that unless the bill was law by Friday these cheques would not be available for the June payments. Whether there was anything else in the air, and I leave it just that way, that would be, in my judgment, and I am sure in the judgment of Senator Flynn, a very valid reason for asking for the steps that we are taking today.

Hon. Mr. Flynn: Well, I hope that as far as these facts are concerned we will have clear evidence tomorrow in committee, because if the evidence is not clear I do not think that we will have given leave for valid reasons.

Hon. Mr. Martin: I do not quarrel with that. My honourable friend speaks of a committee meeting tomorrow. I was hoping that after I spoke on second reading and the Leader of the Opposition and anyone else who wished to had spoken on second reading, we might proceed with the committee forthwith. In anticipation of that there are now in the gallery the officials, including the deputy minister. I had asked that they be here so that there would be no delay. I was hoping that after we have dealt with this matter we could start our hearings so that we will have taken all the necessary steps to avoid any accusation that might be directed against us, and when I say "us" I mean this institution.

Hon. Mr. Flynn: The committee cannot sit until the Senate has adjourned for the day. It is now already 4.15 p.m., so it would be charitable, I think, to advise the officials that they might as well come back at eight o'clock tonight. I see no sense in keeping them now.

Hon. Mr. Martin: It would not hurt them to hear a good speech from you in the meantime.

Hon. Mr. Flynn: Well, I think they have heard enough for today.

Hon. Mr. Martin: I have no objection to that suggestion.

Hon. Mr. Phillips: I wonder if we are not overlooking one point here in that the government may wish to mail these cheques out with the same amount of speed and

efficiency which they did with the unemployment cheques last winter. I am suggesting this is another reason for wanting to proceed tonight.

Hon. Mr. Martin: I would hope we would get them out with dispatch.

Hon. Mr. Choquette: Will there be a note attached telling them how to vote if they want to be grateful at all?

Hon. Mr. McDonald: They already got the message.

Hon. Mr. Connolly (Ottawa West): They will know how to vote.

Hon. Mr. Martin: Those are matters outside the scope of the Senate. I thank the Leader of the Opposition and others for facilitating the discussion of this matter.

The Hon. the Speaker: Do I understand leave is being granted to proceed with second reading now?

Hon. Senators: Agreed.

Hon. Paul Martin: Honourable senators, I beg leave to introduce Bill C-207, an Act to amend the Old Age Security Act. Before dealing with the details of the bill I should like to mention the important contribution which the Senate has made to the development of legislation affecting pension entitlements of senior citizens.

On July 23, 1963, this house ordered the appointment of a special committee of the Senate:

> . . . to examine the problem involved in the promotion of the welfare of the aged and aging persons, in order to ensure that in addition to the provision of a sufficient income, there are also developed adequate services and facilities of a positive and preventive kind so that older persons may continue to live healthy and useful lives as members of the Canadian community and the need for the maximum co-operation of all levels of governments in the promotion thereof . . .

During the next three years this committee, under the chairmanship of the Honourable David Croll and with the dedicated assistance of its members, many of whom are in the house today, conducted one of the most comprehensive investigations of the circumstances and needs of older Canadians that has ever been carried out in this country. The report of the committee, which was laid before this house on February 2, 1966, was exhaustive in its analysis and definitive in its conclusions. As Senator Croll said in his introduction to the 1966 report:

> —Senior citizens are not some indefinable group, separate and apart. They are our mothers and our fathers. They are ourselves in a few years. They are those who have made contributions to society and to our country. They are those who have given their energies, their skills and their children for the good of society. What the senior citizen needs is to retain his earned right in his own world.

Before summarizing the essential elements of the bill, I should like to remind honourable senators of the level of income security for retired Canadians which had been achieved by 1966 and the recommendations which were made in this regard by the Special Committee on Aging.

In 1963 the old age pension, available at age 70, was increased from $65 to $75, a level at which it remained until the provisions for escalation were implemented in 1968.

• (1620)

In its report the special committee recommended that an income guarantee program be established which would be available to all persons aged 65 and over who had 10 years residence in Canada, and whose net cash income from all sources was less than $1,260 in the case of single persons and $2,220 in the case of couples, including income from old age security and the Canada Pension Plan. They also recommended that income protection should be provided by establishing a guaranteed income, which would be adjusted automatically to reflect changes in consumer spending. The committee recommended as well that the procedure for administering the program should be based on a single declaration of income.

In February 1965, a short time before the committee reported, the government of the day introduced legislation which reduced the age of eligibility for pension on a five-year stage basis from 70 to 65. The legislation also provided for automatic escalation up to a limit of two per cent in any year.

In December 1966 the government responded to the committee's recommendations with proposals for a guaranteed income supplement program, which in the first instance provided pensioners with a guaranteed income of $1,260 per year for a single person and $2,520 a year for couples. The maximum supplementary benefit of $30 per month for each pensioner was reduced when other income raised the total level above these levels.

In December 1970, the maximum supplementary benefits were increased to $55 a month for single persons and $95 a month for couples. The basic old age security pension, which at that point was $79.58 a month, was set at $80.

In this bill the following provisions are made. The changes in pension entitlements and conditions provided in the bill may be summarized as follows. First of all, the present benefits for those entitled to old age security only are $80 per month for a single person and $160 a month for a married couple. In this bill these benefits are revised to $82.88 for a single person and $165.76 for a couple. The present benefits for those entitled to old age security and the maximum supplement is $137.70 for a single person and $260.10 for a married couple. These benefits are revised to $150 for a single person and $285 for a married couple. These are, it will be seen, very substantial amendments, very substantial revisions indeed, and warrant the view, which possibly could be illustrated when the committee meets, that no other country has old age security income benefits at this level.

The effective date for these improvements is January 1 this year. The qualifying age for pension benefits remains unchanged at 65. Residence requirements for pension entitlement remain unchanged. However, at the present time pensioners may not continue to draw benefits if they live outside Canada for more than six months a year unless they resided in Canada for 25 years after reaching the age of 21. In future, under this bill, this residence requirement for paying pensions outside the country will be reduced to 20 years after reaching the age of 18.

At the present time the basic old age security pension is not subject to escalation. In future it will be escalated each year on the basis of increases in the consumer price index, and this change is effective from January 1, 1972. The improvement this year is 3.6 per cent, based on the increase in the consumer price index for the fiscal year 1971-72 over 1970-71. At present the pension benefit for those entitled to old age security and GIS, the guaranteed income supplement, is escalated up to a limit of two per cent each year. In future the entire pension benefit of those receiving the supplement will be escalated each year on the basis of the increase in the consumer price index.

Those are the basic provisions of the bill. I should like to point out—although this is not provided for in the bill, but it does enable us to understand the attention that Parliament and the government wishes to pay to this matter—the special income tax allowance for pensioners aged 65 and over, which now stands at $650 per person, will be increased to $1,000 effective January 1, 1972. This increase is not provided, as I said, in this bill. I refer to it, however, because for those pensioners who are subject to income tax this increase which was proposed in the recent budget will have a very real impact on their income situation.

Hon. Mr. Connolly (Ottawa West): You mean the exemption.

Hon. Mr. Martin: Is that not what I said? That is what I meant to say.

Hon. Mr. Connolly (Ottawa West): You talked about an increase.

Hon. Mr. Choquette: We want to make it doubly clear.

Hon. Mr. Flynn: It is an additional increase in deductions for people over 65.

Hon. Mr. Martin: That is right, but it has a great value to them. I think it important that I should say what the cost of this will be. The additional cost of these improvements will be in the order of $253 million in the fiscal year 1972-73. The proposals contained in this bill will result in some 1.8 million Canadians over 65 years of age receiving the basic escalated old age security pension of $82.88 a month. Over 60 per cent of those, or 1.1 million, will receive the combined old age security and guaranteed income supplement payments of up to $150 a month for a single person or combined payments of up to $285 for married couples. Calculated on an annual basis, the minimum income which this bill guarantees to our senior citizens is $1,800 for single people and $3,420 for couples.

Hon. Mr. Benidickson: If husband and wife both receive an old age pension,—I mean if they are both over 65 years of age?

Hon. Mr. Martin: That is right. It should also be noted that under the proposed changes, partial supplements will be payable as long as incomes are below $2,625 for single persons and $4,870 for married couples. This is a very substantial improvement in the situation that prevailed in 1966 when the total allowable income for recipients of old age assistance, including old age assistance, was $1,260 for single persons and $2,220 for couples.

• (1630)

It is interesting to observe that the principle of selectivity which was enunciated in the report of the Special Senate Committee in 1966 has shifted the main thrust of our old age security program away from universal payments towards increased expenditures on those whose needs are greatest. It has done this, as the committee recommended in 1966, without the use of means tests.

I refer to the universal system, and to the consequences of this recommendation among other influences of the Senate committee, with some nostalgia, because I had the responsibility, as Minister of Health and Welfare, to introduce the old age security universal system, which at that time eliminated the means tests. I still think that was a very responsible measure, one that certainly met with wide approval both in Parliament and in the country.

Expenditures on the OAS and GIS programs have risen from $1,388 million in the fiscal year 1967-68 to an estimated $2,453 million in 1972-73.

The benefit improvement measures which have been introduced since 1967 have increased the proportion of total expenditures directed to the supplement from 17 per cent in 1967-68 to almost 29 per cent in 1972-73.

Honourable senators, I have given the main features of this bill. There would have been a great temptation to review all that has been done—

Hon. Mr. Flynn: Oh, no.

Hon. Mr. Martin: —during the past 25 years—

Hon. Mr. Flynn: Please, no.

Hon. Mr. Martin: —in this debate. I say there would have been a great temptation on my part.

Hon. Mr. Flynn: In other circumstances.

Hon. Mr. Martin: I spent 11 years in that particular department; quite the best part of my ministerial life was in it. I say it would have been a great temptation, but I have resisted that today.

Hon. Mr. Flynn: Why?

Hon. Mr. Martin: I am very anxious that we give as quick consideration to this matter as is possible, so that the benefits of this bill can go to those needy senior citizens of our country who, I am sure, will follow and are following our deliberations with great interest.

I commend these amendments to the Senate.

Hon. Jacques Flynn: Honourable senators, the last remarks made by the Leader of the Government are very clear. It is not the first time that we have heard an invitation as clear as this one to the Senate to dispense with its normal responsibility in dealing with legislation.

If we were to accept the reasoning of the Leader of the Government, every time we get a bill which would provide a payment to some people who are in need we should not debate the bill, we should not amend it, we should not study it, we should not try to understand it, we should not try to improve it; we should simply say, "Fine, send the cheques right away, and let us forget what the Senate is about and what its role is or should be."

Normally, a bill like this one should not be considered by the Senate before next Tuesday. It was passed just a few minutes ago by the other place. The other place has had the bill for over a week now. I know it did not deal only with this bill during that time, but it was aware of the

admonition of the house leader of the government that it had to pass by Friday, by tomorrow, if beneficiaries were to receive their June cheques with the increases provided in the bill. Yet the other place thought that it was its duty to take the time it did take and to delay the passage of this legislation until four o'clock today, Thursday, May 18, which is one day before the proposed deadline set by the house leader of the government in the other place.

As I said, we normally should be dealing with this bill on second reading next week, because under our rules a bill receives first reading and then two days' notice is required before second reading. Therefore, today being Thursday and Monday being a holiday, we would not have been able to proceed with this bill before Tuesday next. That would have given us time, in the three- or four-day interval, to look at the bill.

We did look at the bill; we had to, because we were warned two or three days ago, by the Leader of the Government here, that we would be pushed, and that if we were not prepared to give leave he would see to it that the responsibility would be placed on us, if by accident the cheques going to the senior citizens of this country were not to include in June the increases provided for in this bill.

If we had proceeded in a normal way, we would have started the debate on Tuesday; we probably would have had at least two days of debate in this house; we would have sent it to committee and we would have had a good examination of the legislation there. Then the bill would have received passage by this house probably only in ten days, and royal assent about two weeks from now. This is the normal course that we should follow in the Senate, as a rule.

There may be exceptions. In the present case the only reason why we are invited to make an exception is a statement of the government leader, repeating what was said in the other place, that the bill has to be passed by tomorrow night if the cheques for June are to go out with the increases provided for in this bill.

I have had the promise of the Leader of the Government that we would have before the committee the people who know about the machinery of the printing and expedition of the cheques, who would be prepared to tell us if such is the fact. I do not want a mere general statement like the only one I was able to get from the Leader of the Government. I want something precise because I wish to be assured that if royal assent is given tomorrow evening, Friday, instead of next Tuesday, it will make a real difference. I do not believe any sensible person can make that assertion, but I am eager to see who from the department will try. I have no doubt that there will be an attempt of some kind, but they will have to convince me as to its making any real difference.

• (1640)

Another thing I will want to know is whether the cheques have already been printed. We know very well, for example, that in dealing with the so-called income tax reform bill, when we were pushed to pass it before the supposed deadline of December 31, the Department of National Revenue had already sent out forms based on the new law before the bill had received royal assent or had even gone through the Senate. I think it is fair to say that when it is obvious that both Houses of Parliament will approve a bill, then there is no difficulty for any department in getting ready to do whatever is necessary to meet any supposed deadline required for the benefit of the public at large or for the benefit of a special class of citizens, such as, in the present case, our senior citizens.

It is obvious that the government leader would like us to deal with the three stages of this bill, including the committee stage, in one day or less, because tomorrow, if my understanding is correct, the other place adjourns at five o'clock. Since it does not sit on Saturday it would be necessary, therefore, to have royal assent by 4.45 p.m. tomorrow. We would have about nine members from the other place and about an equal number from the Senate present to salute the Deputy of His Excellency under these circumstances on a Friday afternoon. At any rate, that would give us about 24 or 25 hours in which to decide that this bill is all right, that there should be no improvement and that we understand all of its implications.

Of course, being members of the Senate, we are absolutely brilliant—or probably that is the assumption on which the Leader of the Government bases his invitation for us to deal so celeritously with this legislation. But I say that it is obvious that we are pushed once again, just as we were last December when we dealt with the income tax reform bill and as we were pushed in December 1970 when the old age pension was adjusted.

If honourable senators recall, when we dealt with the old age pension legislation in 1970, on December 18 we were contemplating for the next day an adjournment of over a month; that is, we would have adjourned on December 19. Thus we had about one day in which to deal with the legislation. The same argument was made at that time as to whether we were really to consider this legislation, really to study it, really to debate it, then since the other place was going to adjourn for the Christmas recess we would be delaying the payments to the beginning of February; and again we were in the position where we had to neglect our responsibilities because of the circumstances.

Well, I say that if we continue in this way we might as well consider that the Senate's role so far as the review of legislation is concerned is diminishing every day and that sooner or later it will become obvious that we are not serving any useful purpose. Despite all the merits that the present Leader of the Government may have in trying to enhance the reputation of the Senate in some other areas, I must say that so far as legislation is concerned, so far as the manner in which he has handled the legislation is concerned and the way in which he has handled the huge majority of supporters of the government in this house, he has hurt the reputation of the Senate. If that continues we may never recover from the blow that has been dealt the Senate by the manner in which he has proceeded in these special circumstances.

As much as the government leader may consider the bill simple and straightforward and deserving of only a cursory glance on our part, I do not agree that it is unimportant. The government leader refuses to take the legislative task of the Senate seriously, as I said. He refuses to let us act as something other than a sorry lot of obsequious toads lying around waiting for the other place to toss over

legislation at the last minute, expecting us to deal with it in a matter of hours. Surely, nobody would assert that this is not what we have been doing since last Monday night? We have been waiting for nothing other than that very moment when the bill would reach us. The Leader of the Government has been asking for leave to consider it right away, with not a minute of reflection. And that is what has happened today.

He was so anxious and so nervous about it yesterday that I had to give him the assurance that as soon as the bill would reach us today, after first reading we would give leave to proceed with second reading. But if I had not resisted the Leader of the Government we would have looked even more foolish than we did because we would have come back at eight o'clock for nothing. There would have been another blunder made yesterday if I had given leave to revert to Notices of Motions. I will not say anything else about that, except to say that I did it for the sake of the reputation of the Senate. I thought I was using better judgment than the Leader of the Government in refusing to let him try to do what he intended to do at that time. I hope in future he will thank me.

The Hon. the Speaker: Does the honourable Senator Lamontagne wish to ask a question?

[*Translation*]

Hon. Mr. Lamontagne: In all honesty with the Leader of the Opposition, I must say that I agree entirely with him, but I would like to know if he recalled events which took place here in the past. I would ask him whether, in this instance, he has specific objections to express concerning the bills now before us?

Hon. Mr. Flynn: If my good friend will be patient with me, I intend to speak to the bill, but for the time being I am trying to explain how difficult it will be for us to discuss this bill efficiently because of the circumstances under which it reached us and we are obliged to study it. That is the point I want to make and if my friend has something more specific in mind, if he feels I have been unfair in my remarks, and there is something else I should refer to or recall, whatever that may be, I am quite agreeable, but all I gathered is the fact that he would like me to come to the legislation as soon as possible. That I mean to do, and I will do so, but I certainly feel it is important to put on the record, since we are proceeding at such speed, why the Senate is placed in such a difficult position and why we are being forced to pass an act without following ordinary rules or the rules of procedure. These rules do not exist only to gratify a whim. Their purpose is to provide for orderly debate, allowing all members of our assembly to examine bills, to consider them from one day to the next and see whether it would not be advisable, after hearing the comments of several speakers, that amendments be provided, or recommendations involving amendments be brought forward.

For instance, I might refer to the case—I mean the legislation rushed through in December 1970—when, if my honourable friend will remember, we amended the bill in order that the universal pension should not be linked to the cost of living index, an amendment which was much criticized in the other place and here. It is perhaps precisely that debate, a short one here and longer over there, which resulted in bringing about a change in the government's position. Whatever I may think, there were perhaps other reasons, but, as a matter of fact, it seems to me that in a deliberative assembly, debate is essential and account must be taken of all circumstances—and that is what I am trying to do.

[*English*]

• (1650)

I will return to my notes, and I hope I will not be too repetitious. Some of the items which I intended to mention I have referred to in French. I feel we have until six o'clock to deal with this legislation. The government leader was warned last December that we did not wish to put up with this sort of subtle blackmail in order to meet a deadline—in this case for the payment of cheques to our senior citizens, while on December 31 it was for fiscal reform. I would remind honourable senators, and especially the Leader of the Government, that many of his own followers expressed their displeasure with the manner in which the Senate was being treated. I am quoting from the speech of Senator Desruisseaux, as reported in the *Debates of the Senate* of March 1, at page 59:

> My reaction to what occurred last December in connection with the tax reform bill is that the Senate should never again forfeit its right of action granted by the Constitution; it should exercise that liberty for as long as the Constitution exists. The Senate should never again act against its better judgment, as I believe it did in rushing the passage of the tax reform bill on request and under pressure, even though it had studied the bill for many months while the legislation was being debated in the other place.
>
> Those in authority responsible for the tax reform bill ill-timed its presentation to the house, incorrectly estimated the time necessary for full discussion of the legislation, and did not take into account the role played by the Senate in constitutional affairs. It is to our shame, as members of this chamber, that we surrendered the most elementary basic principles necessary if the Senate is to function within the terms and spirit of the Constitution. I am sure that honourable senators share my view that the incident will serve as a warning that nothing similar must be allowed to occur again.

Yet here we are again at another dead end. We do not have sufficient time to delve into all the ramifications of this bill. It may appear very simple, but is not. There is more to it than the amount of $2.88 which we are going to pay to our senior citizens in a few weeks, or the other increase in supplementary income payments.

I remember that in 1970 when we were discussing a similar bill, Senator Benidickson, Senator Forsey and others discussed questions relating to universality, selectivity, and so on. These are very important matters. These are not questions we can merely raise in passing and then forget about.

I am afraid that once again we will be the laughing stock of Canada. The Leader of the Government has failed to impress upon his colleagues that this Senate is here to do more than blindly approve legislation which is sent to us from the other place. We are supposed to examine it. As a matter of fact, as Senator Buckwold

would say, we are supposed to roll up our sleeves and get to work. It will take more than a few hours to deal with this bill adequately. I need not describe what this chamber looks like at this time. It is sad and depressing, but I feel that the majority of the members of this chamber enjoy seeing the dignity of the Senate regularly violated by this government. There are some exceptions. Senator Benidickson has on several occasions expressed his opposition to the government's high-handed treatment of the Senate. On December 18, 1970, Senator Forsey spoke regarding an amendment to the Old Age Security Act, and prefaced his remarks by saying:

• (1700)

> I regret very much that we should be asked to consider this legislation at this very late stage, and with the added handicap pointed out by honourable Senator Benidickson that if we delay the passage of this legislation for any length of time a great many people who are in very severe need will suffer. I need hardly say, honourable senators, that I am most anxious to see that they should not suffer, but that they should benefit as soon as possible. Nevertheless, I feel obliged to make this protest.

I spoke in the same vein on that occasion. I mentioned that we were not in a position to deal adequately with that legislation in 1970; and the circumstances were similar to those in which we find ourselves today.

A number of other senators who are members of the majority party have also voiced their opposition to the way in which the Senate is treated by this government. It appears that they too do not have the ear of the government leader. He was not frightened when he was threatened this afternoon by Senator Carter that he, Senator Carter, might vote against the government. He was certain that this would not happen today.

I have already said this once this week, and I will repeat it: Unless the Senate is permitted to operate the way it should without the interference of the government, it may just as well be abolished. The way we are acting today, which is the way we acted in December last, is to follow a suicidal course. Of course, I will accept, as imperative to the quick passage of this bill, the dissolution of the other place and the calling of an election. But the government leader says he does not know. If he does not know, how can I assume that this possibility exists? If I were to assume that the possibility exists under the Constitution, I would have to assume it all the time, and I would never be able adequately to discharge my responsibilities, because there always exists the possibility of legislation being interrupted by dissolution while it is being considered.

The other place, in dealing with this bill, was not worried about the possibility of dissolution. It waited until 4 o'clock, 24 hours before the deadline set by the house leader in the other place, before sending it to us. So why should we not take the same attitude? Why should we not display the same fortitude, when facing a possible election, as that displayed in the other place, especially as the danger of losing our seats does not exist and we are all certain of being here again, God preserving us, after the next election.

Honourable senators may have heard enough of my introductory remarks to the bill; but I had to place on record the fact that the circumstances in which we are dealing with this legislation are impossible, that we are being forced to do something which does violence to the image of the Senate, and which is contrary to the responsibility placed on it by the Constitution.

Turning now to the legislation, the first thing I should like to point out is the way in which the federal government has conveniently backed away from some of the more laudable goals set down in the Victoria Charter.

The attitude of the federal government at that time was that more autonomy should be given the provinces in matters social and cultural. In addition, provision had to be made for greater consultation between the federal government and the various provincial governments.

But the attitude of the federal government seems to have changed despite the recent recommendations for increased provincial autonomy made by the Joint Committee on the Constitution. After having made all those very palatable noises about increased autonomy for the provinces and increased consultation with them, the federal government, without consultation with Quebec, unilaterally and arrogantly proceeded to raise old age pensions on a universal basis.

Premier Bourassa explained that this was "totally inadmissible and unacceptable," because it placed a crushing burden on the social welfare program of his province. What became of all the autonomy and consultation, the spirit of fraternity and understanding that animated the Victoria discussions? Mr. Trudeau, with the usual contempt he shows for anyone disagreeing with him, said to Mr. Bourassa, "Well, you had only to accept the Victoria Charter and we would have consulted you."

Hon. Mr. Lamontagne: He was converted by Mr. Stanfield.

Hon. Mr. Flynn: Not on that point. As far as consultation with the provinces is concerned, I have no doubt that Mr. Stanfield, who is a much more humble man than Mr. Trudeau, would be more inclined to consult the provinces than is the present Prime Minister.

Hon. Mr. Phillips: And in a much more sincere manner.

Hon. Mr. Flynn: Yes; that is quite obvious. It is all very well to say that Mr. Bourassa had only to accept the Victoria Charter. But may I remind honourable senators of the amendment made in 1951 to the British North America Act, adding to it section 94A which says:

> the Parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the Parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions.

That makes it clear that the federal Parliament has jurisdiction in the matter of old age pensions; but I think it suggests also that there should be co-operation between the two levels of government, since it creates a double jurisdiction. Since both levels of government may legislate in this field, the least that could be expected is that there should be some consultation between the two governments. Mr. Trudeau cannot pretend to ignore the objections of Mr. Castonguay, the Minister of Social

Affairs in the Province of Quebec. I suggest that the statement made by Mr. Trudeau was hardly a responsible attitude for the Prime Minister of Canada to adopt in dealing with a Premier of a province. It could only serve to generate more ill will. There could have been consultation. In fact, there should have been consultation. It would not have been necessary for the Minister of Finance, the Honourable John Turner, to reveal his budget to the Government of the Province of Quebec before revealing it to the federal government. He had only to meet with the Government of the Province of Quebec prior to the drafting of his budget.

• (1710)

By the way, this decision to increase the old age pensions and the income supplement is not really a budgetary matter. It does not belong in a budget. It is a problem which falls within the area of social payments. It was included in the budget, of course, for an obvious reason, that being that there is an election coming up. It is not a matter that belongs in a budget at all; otherwise, everything would belong in a budget. It is a question of social security and, as such, should have emanated from the proper ministry.

As I said, he had only to meet with the Government of the Province of Quebec and test their reaction to certain pertinent ideas. Rightly or wrongly, the Quebec government would have preferred to see Ottawa increase its contribution in other social areas, such as family allowances and welfare aid, rather than in the area of old age pensions. Apparently, and again rightly or wrongly, the aim of Quebec is to be much more selective in the handing out of social welfare benefits. In that regard, Quebec felt it had the support of the Honourable John Munro, but he does not seem to have great influence in cabinet these days. Perhaps it is because he was the one who proposed some years ago to do away with the adjustment of pensions on a universal basis according to the rise in the consumer price index.

There is no question here of a federal government not feeling that the elderly are entitled to more money. It is a case of a provincial government having other priorities in the field of social welfare; a provincial government jealous of its rights in matters cultural and social, ever desirous of extending its autonomy in these areas, wanting to be consulted. It was not consulted. Instead of consultation before, we ended up with confrontation afterwards. No federal government seriously interested in improving relations with Quebec would have acted in this way. The federal government, under Prime Minister Trudeau, has gone out of its way to show Quebec who is boss, with dismal results. Every time the federal government blunders into the Province of Quebec—

Hon. Mr. Lamontagne: Be objective.

Hon. Mr. Flynn: —and obtusely flexes its political muscle merely for the sake of bolstering its ego, then you can be sure that another nail has just been hammered into the coffin of Confederation.

Hon. Mr. Lamontagne: Be objective.

Hon. Mr. Flynn: I do not think I am exaggerating when I say that thinking Quebecers of all political persuasions are annoyed, are fed up with this continuous gauche federal intervention in areas that are properly provincial—and when I say "gauche" I mean awkward.

Mr. Castonguay, Quebec's Minister of Social Affairs, informs us that Ottawa promised him a year ago that it would not increase its universal old age pension payments. The federal government went back on its word. That is shameful behaviour.

The Trudeau Government has shown itself to be simply incapable of dealing properly with the Province of Quebec. One would have thought that with the provincial premier being of the same political affiliation, the situation might have improved. It has not. If anything, it has frighteningly deteriorated and, judging from recent public statements by Mr. Trudeau and Mr. Marchand, will continue to do so.

It appears Prime Minister Trudeau opened his mouth and inserted his foot again recently on the subject of Quebec. He said that to have a federal election in Quebec now, in these times of labour unrest, would probably favour his party because, and I quote:

> the people of Quebec want to be reassured that there is at least one strong government somewhere.

Mr. Marchand was probably speaking in the same vein when he said that he would never have proposed a bill like Bill 19.

This sort of affront to the Government of Quebec, this obvious reference to what Messrs. Trudeau and Marchand see as weakness or incompetence on the part of the Government of Quebec, cannot help but do violence to an already strained relationship.

The federal government's ham-handed authoritarianism, its obsession with centralization and power, and its obstinate wrong-headedness is making it ever more difficult for many responsible Quebecers to defend Confederation.

To the large majority of the members of this house who, like Senator Buckwold, feel that this administration is doing such a praiseworthy job, I must say this: I hate to disturb your equanimity, I detest having to put the boot to your complacency, but the fact of the matter is that unless the federal government which you support changes its attitude towards Quebec, especially when there is, at least politically speaking, a friendly government there, we all may well wake up to find our beloved Canada badly shaken.

This government's total failure to understand the spirit which presently animates Quebec, its childish fear of giving up authority, has resulted in Quebec's persistent and legitimate requests for more autonomy and consultation to be insensitively disregarded.

In the case of the bill at hand, common sense was ignored, promises were broken, and wishes were contemptuously disregarded.

Quebec is not happy, and if this government cannot understand why, it should be replaced by a government that will.

Honourable senators, I leave this matter concerning the way this legislation affects the situation of the Government of Quebec and come now to its technical aspects.

An increase in old age pension, even if it does work out to but a few measly dollars, is indeed welcome. However, I shall point out that, because the government was so slow in recognizing the plight of our old age pensioners, the measures proposed in this bill are woefully inadequate and fail completely to make up for ground lost over the past few years.

Increases in old age pensions should have continued to vary directly with increases in the cost of living, not necessarily on the basis of the consumer price index, which in many ways was inadequate, but with the real increase in the cost of living. Between 1965 and 1970 the government provided an annual increase of no more than 2 per cent in the pensions paid to senior citizens. The cost of living, however, has never recognized such artificial boundaries as 2 per cent, especially not under Liberal governments.

As of December 1970 the 2 per cent escalator was made to apply only to those receiving the guaranteed income supplement. Pensions were frozen at $80 a month. That meant an increase of 42 cents a month for the old age pensioner at that time, or $5.04 a year, a great amount, as was mentioned on that occasion. This was considered at the time and was defended as an attempt on the part of the government to exercise more selectivity, although it is difficult to understand exactly what course the government was really trying to follow. The adjustment of the pension in accordance with the price index has nothing to do, in my opinion, with selectivity or universality.

• (1720)

It has to be remembered that the taxpayers have paid for that universal pension. They have paid with dollars that were worth much more than the dollars with which the pensions are paid to them today. If selectivity was deemed to be the proper course to follow in 1970, if Mr. Munro's white paper on income security defended the principle of selectivity, why is the same government now making an about-face? It is totally inconsistent, but I suppose that should not surprise me, since this government specializes in confusion.

Hon. Mr. Lamontagne: Shame!

Hon. Mr. Flynn: If you have something to say, say it.

Hon. Mr. Lamontagne: No.

Hon. Mr. Flynn: I was trying to proceed a little more quickly. It probably would be restful for me if my honourable friend were to put a question. I should like to speak in French for a little while, if he wants me to.

Hon. Mr. Choquette: Or you can put a question in English, Senator "Mountain."

Hon. Mr. Lamontagne: Perhaps I too would be embarrassed at doing that.

Hon. Mr. Flynn: Probably it is my accent.

Hon. Mr. Lamontagne: Yes.

Hon. Mr. Flynn: That is all right; we are in good company as far as accent is concerned.

Hon. Mr. Phillips: He has not got a speech writer to prepare a speech in English for him tonight; he can only make interruptions. You will have to pardon him.

[Hon. Mr. Flynn.]

Hon. Mr. Flynn: I am probably worth a laugh occasionally.

The change in the guaranteed income supplement provided for in this bill will not even bring Canada's poverty-stricken up to the 1971 poverty line. It is, I am sure Senator Croll will agree, totally inadequate and unconscionably cynical. This government continues to guarantee a certain number of older citizens abiding poverty; it continues to ensure that they will suffer malnutrition in substandard living conditions; it persists in making certain that countless thousands will not be relieved of the burden of having to struggle to make ends meet.

I am sorry that Senator Croll is not here today. I hope we will hear from him before this debate is over because, after all, the comments he made when he presented the report of his committee were in a way very critical of Mr. Munro's white paper. I should like to hear what his reactions are to this bill. I hope it is only by accident that he is away, because I think he could make a worth-while contribution to this debate. I am quite sure Senator Benidickson also will be speaking, because I cannot assume that his leader has given orders to the supporters of the government not to participate in this debate.

Hon. Mr. Phillips: Have you?

Hon. Mr. Choquette: Never, never!

Hon. Mr. Phillips: No, he would never think of such a thing!

Hon. Mr. Flynn: The attitude of this government seems to be, "Let them worry about how they are going to survive on the pittance we give them. Worrying will give them something to do." According to this government, you callously toss them a crumb, a few dollars a month, and expect that they will demonstrate their unending gratitude. In fact, the government only wants them to remember the payments on election day; if the gratitude is only demonstrated on that day the government will be amply satisfied with the result. But our senior citizens will not be taken in by a cheap ploy, I can assure you.

I was going to ask some questions about the effect of the increases on the veterans' pensions, but I will keep them for the committee stage. I suppose they are too technical for this stage of the debate.

I turn now to the guaranteed income supplement. Most Canadians are under the impression that this supplement is to rise by $15 a month from its April 1972 level. That is simply not so. It is the combined old age security pension and the guaranteed income supplement that will rise by $15, and it is rising by $15 over its April 1971 level, not the April 1972 level. This means that the single pensioner who receives the supplement will find that his April supplement of $57.70 will rise to $67.12, an increase of $9.42 a month, not the $15 a month he was deliberately led to believe he would receive. I am not saying the Leader of the Government said that it would, but others in the government made no effort to correct the misconception. On the contrary, Senator Martin's figures were correct. I checked them.

In conclusion, honourable senators, let me say that we cannot but accept this bill in principle. We are in favour of increasing pensions to our senior citizens. However, we entirely disapprove of the fact that they were so slow in

coming, and that they are nowhere near that which could be called adequate. It is quite obvious that the political hucksters had a hand in all of this. I said before, and I repeat, these increases should not have been announced by Mr. Turner, the Minister of Finance, in his budget speech. They should have been a decision by the government and announced by the Minister of National Health and Welfare, whose responsibility it was.

This government must really fear the upcoming election if it is willing to go to such extremes in its attempts to buy votes. But this government, like most people when they get desperate, has grossly miscalculated. The senior citizens of this country will not be taken in. They will recognize this manoeuvre for what it is—a despicable, cynical trick by a morally bankrupt administration.

Besides the few dollars it is handing out on the eve of an election in a way the government rejected a little more than a year ago, there are many things that should be considered about this bill. Again, I mention the discussion of where the government is going in its choice of selectivity or universality, in its agreement with the suggestion in the Victoria Charter that provincial governments should have more to say in the field of social matters, and many problems that were raised, as I mentioned, in the debate in December 1971, in the last days before the Christmas adjournment, by Senators Croll, Benidickson, Forsey and many others. All these items should be discussed at this time with regard to this bill.

Normally we should discuss this bill at length, but we will see what we can get by way of information in committee. Again I say we should have had adequate time to deal with this bill. I will see in committee if the problem of sending the cheques is such an important one, or whether in fact the government is simply trying to clear the way for calling an election and to be able to send out these cheques at the electorally appropriate time. If that is so, it would be very simple to tell us, and we would certainly not resist the opportunity of an election, because I think the Canadian people are ready to make a change. For the sake of just passing this bill and having it improved by another government after the election, I would be willing to give it third reading in a few minutes, and then royal assent. I would want first to know, however, about the statement of the Leader of the Government, repeating what was said by the house leader of the government in the other place. Is it really true that this bill cannot wait until Tuesday? I will be very difficult to convince in this regard, and in due course we will see what we should do.

• (1730)

The Hon. the Speaker: The honourable Senator Grosart.

Hon. Mr. Flynn: Unless someone on the other side wishes to speak, unless Senator Benidickson intends to speak—

Hon. Mr. Benidickson: You quoted me adequately and showed that I was right in 1967.

Hon. Mr. Flynn: You do not intend to speak now? It would be more courteous, after I have spoken, to give a chance to someone on that side to reply to me. That is why I was suggesting that Senator Grosart yield to you, if you intended to speak.

Hon. Mr. Benidickson: You made no positive suggestion.

Hon. Mr. Flynn: You do not call it a positive suggestion? Apparently no one wants to speak on the government side. That is the way they debate.

Hon. Allister Grosart: Honourable senators, my first words in speaking to this bill must be to say personally that I am sure honourable senators have been impressed with the courage shown by the Leader of the Opposition in the very difficult situation which was not of his making.

Hon. Mr. Lamontagne: It was lack of memory.

Hon. Mr. Flynn: It is evident you never want to engage in a debate with me. Then, when I resume my seat, you attack me.

Hon. Mr. Grosart: The situation has been clearly outlined, but I think we should not lose sight of the fact, made so clear by the Leader of the Opposition, that we are faced once more with an affront to this chamber. It is in many ways a more overt affront than any we have had in my time here, because we have been faced with a timetable by those who are completely cynical in any consideration that might be given for the relationships between the two houses of this Parliament and particularly between the government and this chamber.

I say that because, as far as I can remember, this is the first time that this affront has been tied to the clock. This is the first time the Leader of the Government in the other place, speaking for the government, has set the deadline for the passage of a bill, knowing that it was impossible, under the rules of this house, for us to meet it—unless those rules were suspended. I cite this clock aspect to bring to the attention of honourable senators the very serious nature of this affront and of the problem that faces us so often under situations like this.

I say that the Leader of the Opposition has given us an exhibition of courage in putting the interests of this chamber, of this Senate, ahead of purely partisan considerations.

Hon. Mr. Lamontagne: Oh, oh.

Hon. Mr. Grosart: He has taken a stand for the Senate, and if some honourable senator wishes to rise and point out to me where there was anything partisan of any kind in the statement made by the Leader of the Opposition, I will sit down now and hear from him, by question or by any other procedure he wishes to use to put forth that accusation that seems to have been made by the usual grumble that we get from time to time by those who are not prepared to make their objections or their points clear in the normal way of debate.

My intention was not to raise a partisan issue at this time, it was to pay that tribute to the Leader of the Opposition who has acted, in my view, in the very greatest traditions of leaders of government and of opposition in this chamber.

I repeat that in my view he set aside partisan considerations, because he was taking the risk that in standing for the rights of the Senate he was putting himself and the party which he represents in the possible danger of being accused of holding up a bill which, we all know, is one which has raised great expectations amongst a very large proportion of our citizens. The figures given are that

probably 1,800,000 old age pensioners stand to benefit by this legislation.

Hon. Mr. Benidickson: We are all on that basis.

Hon. Mr. Grosart: I repeat that it takes great courage to take that stand. I repeat that in my view, in the light of what has happened in this chamber as recently as last December, and on other occasions, the time is long overdue for the Leader of the Opposition to take a stand such as has been taken here today. I am personally happy that he has taken it in a situation where we can honestly say that it is not a partisan position, it is one which has been taken in the interest of the future of this chamber.

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Grosart: Additionally, the Leader of the Opposition has made a plea for a greater understanding on the part of the Government of Canada, the House of Commons and this chamber for those special viewpoints held by so many of our fellow citizens in the Province of Quebec.

I must say, as one who makes no pretense to be an expert on the situation in Quebec, that I was surprised, I was amazed, when I picked up the morning paper and found the reaction of Premier Bourassa and some of his ministers to this legislation. I could not believe that there had not been a degree of consultation reaching some level of consensus of agreement with the government of that province in the present situation that confronts us all. It seems incredible.

We have been presented here in this Senate with legislation which on the surface and in depth is good legislation. It could be improved, of course, but it is basically good legislation. It seems to me that there must be something very wrong somewhere in the planning of the policies of the government when legislation of this kind can result in increasing the problems that face Confederation in the Province of Quebec. As I said, I am not an expert, I could not tell anyone why this legislation has been found to be so objectionable in Quebec. All I know is that it is—the evidence is there—and that it has created a cabinet crisis.

• (1740)

Surely there is something wrong with it when a bill to increase the benefits to our old age pensioners can cause a crisis in Quebec at a time when the last thing any of us wants is another crisis in the Province of Quebec in respect of its relationship to the Government of Canada. I say it is beyond me to understand how this can have come about. It is beyond me to understand how it can have come about when we have as Prime Minister a man who himself is a distinguished citizen of Quebec. Although I was not in any way a supporter of the Prime Minister and his party at the last election, I thought I could find some satisfaction in the result of that election in the hope, which I believe was shared by many Canadians, that a French Canadian Prime Minister in Ottawa could very well be the answer to that very great problem that concerns and worries us all as Canadians. It seems to me that over the years that hope, that great expectation, has not been realized. Again I am not going to be critical in detail, because these matters by and large are beyond the scope of my experience or expertise, but the crowning proof of the dashing of the great expectations of many Canadians surely is this bill. But in spite of the fact that it needs the sober second thought of this chamber, and in many of its provisions the second opinion which this chamber is so fully qualified to give, we are faced with this time affront.

Honourable senators are, I am sure, well aware that a good deal of the competence of this Senate in dealing with legislative measures has been found to be in committee. Our committee system has provided the opportunity on many occasions for citizens to come before a legislative body in Ottawa and state their objections. A classic example of that, of course, was the tax reform bill. Honourable senators will recall that in the other place it was not referred to a standing committee but was dealt with in Committee of the Whole. As a result the Senate was able on that occasion to provide a forum for hundreds of briefs and certainly scores of citizens to come to state their objections.

I am sure we are all proud, even those of us who objected to some aspects of the handling of the tax reform bill, that one of the results was that there were actual amendments to the original intention of the framers of that bill. Senator Hayden in this chamber the other day told us that in the new bill which will come before us in due course a number of the amendments that had been suggested by the committee were incorporated but that the majority were not. I very well remember the statement of the minister in our committee that the bill had been greatly improved by the work of the Senate and that many of the amendments proposed in our Standing Senate Committee on Banking, Trade and Commerce were incorporated in that bill.

I mention this to suggest that there has to be something wrong in the relationship between the two houses or between the government and this house when with respect to an important bill such as this—a bill which is clearly subject to improvement by amendments, amendments which could be accepted if we were able to deal with them in the ordinary process of our committees—we are not able to deal with it properly. I believe that if we were able to call the minister, to call experts not only from within the government but from the social sciences, particularly those interested in this type of legislation, we would make those amendments. I have some confidence that they would be accepted. But we are faced with a situation in which this Senate is being denied completely its basic right to use its committee procedure to improve a bill.

Hon. Mr. Martin: I hope Senator Grosart will not mind my pointing out to him, before his statement goes out, that that is not a fact. If Senator Grosart or anyone else wishes to take that course, that is his right. I do not think it is fair to keep repeating that the situation is otherwise. If Senator Grosart wishes to amend this bill, he has that right.

Hon. Mr. Grosart: I am sorry that the Leader of the Government feels that what I said was unfair. My own view is that it is not unfair. My own view is that it is a statement of the facts as they face us. I do not want to repeat what I have said, but perhaps it is necessary. We have been told that there is a deadline and that if this Senate fails to meet that deadline 1,800,000 citizens will not receive cheques in June in the amounts that they are looking for. The other place was told that by the Leader of

the Government there. We have been told so by the Leader of the Government here.

It is now a quarter to six on Thursday night. The kind of committee procedure that I am speaking of, the kind that has done credit to this Senate over the years, has been the kind of procedure where we made it clear that the Senate committee would sit and where there was sufficient publicity so that anybody from anywhere in Canada who wished to come before a Senate committee could do so.

For the Leader of the Government to say to me now that it is not a fact that we have been denied that right is, I think, completely unfair and completely wrong.

Hon. Mr. Martin: I point out again, just in fairness—since my honourable friend talks about fairness to the Senate—that some of us are also concerned about the interests of the people, a large number of people. But if Senator Grosart wishes to call witnesses, he can take any initiative in that regard. That is his responsibility or the responsibility of any other senator. He is a completely free agent as is every other senator. But some of us may be concerned, as all parties seemed to be, that the proposed increased benefits to the old age pensioners in this case are such that we ought not to stand in the way of their getting these benefits. That is my view. That may not be Senator Grosart's view. If it is not, he has the right to take steps to further his view.

Hon. Mr. Choquette: Oh, come on! That is blackmail and you know it!

Hon. Mr. Grosart: I will answer that myself. It is my view that we should not stand in the way of old age pensioners receiving the benefits of this legislation as soon as possible. That is my view. It is also my view that if I exercise the rights suggested by the Leader of the Government I will stand in the way. Why? Because of the timetable he has set. There is no other reason.

Hon. Mr. Martin: The timetable I have set?

Hon. Mr. Grosart: Yes, you have set it. Excuse me, but the Leader of the Government has set the timetable here and has made it very clear that if this timetable is not met the expectations of these old age pensioners will not be met either. I say to him that it is absurd, then, to say to me that I have the right to hold up this bill. I do not have the right.

Hon. Mr. Martin: Of course you have the right.

Hon. Mr. Grosart: The reason I do not have the right—

Hon. Mr. Martin: You have the power, too.

Hon. Mr. Grosart: The reason I do not have the right—at least the right in conscience—is that this Senate has again been squeezed into a corner by an intolerable decision to force us to pass legislation under threat—under threat of denying the expectation of these 1,800,000 Canadians. Under that threat we are being denied that right. The Leader of the Government is well aware that while some are free all are not equally free. This most certainly applies to the situation we find ourselves in at this particular moment.

• (1750)

Hon. Mr. Lamontagne: Honourable senators, I rise on a point of privilege. I understand this legislation will be referred to the committee of which I happen to be chairman, and as long as I am chairman all members of that committee will be free to fully discuss this legislation.

Hon. Mr. Flynn: What is your question of privilege?

Hon. Mr. Lamontagne: Senator Grosart has indicated he would not feel free to discuss it.

Hon. Mr. Flynn: He did not say that. I would request that my honourable friend make his speech following Senator Grosart's if he has something to say. It would be a change if someone on the government side spoke. There seems to be dead silence on the other side of this chamber.

Hon. Mr. Phillips: Honourable senators, on this question of privilege I would like to ask the chairman of that committee whether he has sent out notices to any groups which might be affected, so that they might appear before his committee?

Hon. Mr. Lamontagne: Unfortunately I have not, because this bill has not been referred to committee yet.

Hon. Mr. Flynn: Will it be referred to committee?

Hon. Mr. Martin: I think in fairness to Senator Grosart he should be allowed to continue his speech.

Hon. Mr. Flynn: It is not fair to suggest that Senator Lamontagne is not able to get out of his own dilemma.

Hon. Mr. Grosart: Honourable senators, I might say I have no objection whatever to these interruptions because as it has often been said a change is as good as a rest. I respect the point of privilege which Senator Lamontagne has raised. May I assure him by saying that I was not in any way reflecting on the manner in which he would conduct the hearing. I was reflecting upon the position he as well as all honourable senators are being put in by this particular timetable. I am happy he rose to protest because if I were in his position I would protest also, having been put in the impossible position where whatever the rights of honourable senators might be, he as chairman of this committee would be in a difficult position to enforce or acknowledge those rights. I am not saying he would not acknowledge them. I am saying he would be in a very difficult position. I am aware of his sensitivity in this area and I sympathize entirely with the position in which he finds himself.

Honourable senators, we are entitled to address ourselves to the question regarding what causes these problems. Why does this happen? We are not dealing with this for the first time. This situation has arisen several times in my short history in this chamber. The Leader of the Opposition quoted Senator Desruisseaux who said this must never happen again. I remember on one occasion my seat-mate said that if this happens again he would not give leave. Yet it continues to happen.

My plea is that this chamber, the Leader of the Government, the Leader of the Government in the other place, the Prime Minister or whoever else may be involved, should take a hard look at this problem to determine whether there is not a solution. There is a solution, and part of that solution is in our hands. We should make it clear that we have rules and they are good rules. One of the purposes of these rules is to prevent exactly what is happening now, and also to protect the prestige and integ-

rity of this chamber. We continually put our rules aside. I do not know whether it is a precedent, but in the last few years we have had this extraordinary device where the Leader of the Government, the deputy leader, or the deputy-deputy leader of the government rises and suggests we suspend our rules requiring a certain time interlude. Over and over again we have seen this device used, not specifically requesting a suspension of the rules but requesting a general suspension. I hope we will begin to reaffirm our role in the Constitution by denying ourselves the luxury of this disgraceful motion.

Hon. Mr. Langlois: This is nonsense.

Hon. Mr. Grosart: The deputy leader of the government suggests this is nonsense.

Hon. Mr. Langlois: It is, too.

Hon. Mr. Grosart: Now he says "It is, too." I can understand this because he is one who has moved this motion, and I would not expect him to come forth as a contrite, repentant sinner. However, I hope he will reflect upon this. I feel we should address ourselves to the problem of avoiding the occurrence of this situation in the future and tidying up our own house. We need to notify those who may be concerned, those in the other place, that there are certain rules and procedures we follow for the protection of our rights and that they will not be set aside. If we did this I feel we would be on the road to eradicating this problem.

I am dealing with this at some length because I believe there is not a member in this house who would not like to see a solution to this problem. I believe there is a solution and like most solutions, the place to begin is at home.

Honourable senators, it is six o'clock and under Rule 12 I move that we adjourn.

Hon. Mr. Martin: I am not suggesting that there should not be any more speeches, but I was hoping that the committee could meet at eight o'clock. However, if honourable senators do not wish that to happen they can so decide. The house is the master of its own rules. I simply point out that whether we like it or not, there is the fact. The officials will be present to tell us the consequences with regard to increases in pensions of old age pensioners if the bill does not become law tomorrow. If any of us wish to prevent that happening, then that is our right. But I make this plea to the house: could we not sit for a while and see whether we can get this bill to committee this evening?

• (1800)

I might point out that there is another bill providing for increases in veterans' pensions. While I am not aware that the same mechanical problem with regard to cheques applies to this other bill, honourable senators will have to determine whether there are other circumstances which make it desirable for that bill to go to committee. What I am trying to say—

Hon. Mr. Flynn: The committee cannot sit while the Senate is sitting. We cannot deal with veterans' pensions.

Hon. Mr. Martin: Not without leave. We would have to ask for leave.

[Hon. Mr. Grosart.]

Hon. Mr. Flynn: I am willing to discuss the matter with those on our side who intended to speak. If you wanted to adjourn the Senate until tomorrow and have the committee meet tonight, that is all right. We may discuss that. You could wait until 8.15 p.m. and discuss it at that time. If you want to adjourn the Senate until tomorrow and call the committee, we might go into committee. But the Senate would have to be adjourned until tomorrow.

The Hon. the Speaker: Senator Grosart pointed out, under Rule 12, that if at six o'clock the business is not concluded, the Speaker leaves the chair until eight o'clock.

Hon. Mr. Martin: The Senate is master of its own rules.

Hon. Mr. White: With regard to veterans' pensions, does the Leader of the Government expect to have the veterans' bill passed and royal assent tomorrow?

Hon. Mr. Martin: I had hoped it would be possible to pass these two bills providing increases to old age pensions and veterans' pensions by tomorrow, but it is up to senators to decide.

Hon. Mr. White: Would the Senate sit tomorrow morning?

Hon. Mr. Martin: I think we should sit as long as is necessary to deal with the two measures. I had hoped that we could have sent the present bill to committee for immediate study. The argument that is being put forward could be put forward before the committee and, more particularly, evidence could be brought forward on the question of the mechanical arrangements for the issuing of cheques for the old age security payments. No honourable senator is in a special position. We have to make up our minds whether or not we want these bills to go through—

Hon. Mr. Grosart: On a point of order.

Hon. Mr. Martin: Or whether—

Hon. Mr. Grosart: On a point of order.

The Hon. the Speaker: Order. There is a point of order by Senator Grosart.

Hon. Mr. Grosart: My point of order, Mr. Speaker, is that you have given a ruling. The Leader of the Government is now making a speech. For a while I thought it might make sense to put aside the strict interpretation of our rules while the two leaders discussed the timetable. That is understandable. But I suggest that it is quite improper and totally out of order for the Leader of the Government now to make a speech dealing with matters that I have raised for debate.

While I am on my feet may I make it very clear that in calling attention to the clock, under Rule 12, it was not, and is not, my intention unnecessarily to prolong the debate in any way. I believe I have things to say. I believe they should be said. I have already indicated that there are some amendments that could be made to this bill. That is the only reason why I adjourned the debate. I called attention to the clock, having in mind Rule 12, and that we meet at eight o'clock. If I am not out of order, I see no reason why, if we meet at eight o'clock, the committee cannot sit tonight.

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

At 8 p.m. the sitting was resumed.

The Hon. the Speaker: I understand that the honourable Senator Grosart had the floor.

Hon. Mr. Grosart: Honourable senators, at six o'clock I was discussing the latest timetable confrontation and suggesting that surely it is possible in some way to prevent the recurrence of this. I merely add now that I am quite sure it is possible for men of good will, intelligence, and experience in politics both here and in the other place, to sit down and seriously look at this problem. I just simply cannot believe that this has to go on occasion after occasion the way it does.

I end my comments on that by making a plea to the Leader of the Government, who I know is as anxious as any of us to avoid this type of situation, to bring this to the attention of those who can properly deal with it. We have various mechanisms for and conferences between the houses on much less important things, and perhaps he can initiate the kind of talks that would bring some sense into this situation. I am sure that could be done.

Your Honour, before you rule me out of order for not speaking from my own place, I will move over.

The Hon. the Speaker: I had not noticed.

Hon. Mr. Grosart: I shall not detain the Senate very long in concluding my remarks. As I emphasized at 6 o'clock, I have no intention at this time of delaying passage of this legislation in any way. In my view, if this bill went to committee in the normal way, with sufficient time for it to be given thorough examination, some amendments would be forthcoming from the Senate which would improve it. The Leader of the Opposition has indicated that he has some very definite views on this, and has suggested that because they concern in some detail the clauses of the bill, they should perhaps more properly be discussed in committee. However, with your indulgence, I should like to indicate some of the areas in this bill which I think the Senate would, under the proper circumstances, have improved. I say this because it is unfortunate that the Senate, with its excellent record in this whole problem of aging, should find itself in this difficult position.

As the Leader of the Government indicated, it was our own committee that originally suggested the income supplement. I well recall that at that time, although we had carefully examined the income situation of senior citizens, it did not occur to us that the number of senior citizens who might require the income supplement would be as high as it is. The current figures seem to indicate that something like 60 per cent of recipients of old age pensions require some part of the income supplement. In my view, the very considerable increase in the income supplement is one of the very best features of this bill.

On the other hand, it has been said that in spite of the quite generous increases we are still legislating a level of income for a substantial number of our people that appears to be below the official poverty line. I do not think I am breaking any confidence when I say that I believe the Leader of the Government has some interesting figures, which he has not put before us, to give substance to the statement he made earlier that at the present time the level of old age pension benefits in Canada is the highest in the world.

I, personally, perhaps in committee or through a statement by the Leader of the Government, would like to see those figures. I am not questioning them. I believe them to be accurate. We so often hear that Sweden has such tremendously high levels of welfare payments in various fields, and we are just beginning to discover that the Swedish legislation is not all that good when compared with Canadian social security legislation. However, if we are still below the official poverty line I think we should know that we are, and why.

Another matter that might well be discussed is the statement of the Leader of the Government that there is no means test attached to the income supplement. In one way that is true, as long as you are thinking of a means test only in terms of assets. Let us face it, there is a means test in respect of income. We can argue indefinitely what "means" means, but it can mean income just as well as assets. We still have a means test in the income supplement, and I suggest that if the committee had sufficient time it might well go into this in considerable detail, and find out what the justification is for the continuance of an income means test in the old age pension, when one of the great principles of our old age security legislation has been the fact that it is a universal old age pension, and therefore without a means test.

I think the committee could also, perhaps by amendment, persuade the government that they may have made a mistake in not carrying the retroactive features of the base all the way back to the time when the last adjustment was made. My information is that if the year-to-year increases had been carried all the way back the present basic figure of $82.88 for the universal old age pension would be $90, which I am told would mean—although I have not checked the figures—an additional expenditure this year of only perhaps $18 million. In view of some of the other expenditures, it might have been reasonable to say to the old age pensioners, "Yes, we will carry it all the way back to the increase in the cost of living since the last adjustment."

• (2010)

This was the request, and I hope I will not be thought to be partisan in this, because mistakes occur in these fields over the years.

It does recall to me the fact that in the 1956 budget there was an increase of some $6 in the old age pension, which proved to be unacceptable to the old age pensioners. I am merely suggesting—in view of the fact that there is some talk that some time this year or the next there is going to be an election—that perhaps the government might reconsider that, as to whether they might not be making what is vulgarly referred to at times as the "Six Buck Harris" mistake.

Hon. Mr. Lamontagne: You want an election now?

Hon. Mr. Flynn: And you do not?

Hon. Mr. Grosart: A final problem, of course, would be that of the old age pensioner who still has his spouse younger. I have not looked at the arithmetic, but I am sure that if we had time we would like to explore this, because obviously there may be very great hardship here. An old age pensioner reaching the age of 65, with no other means of support than the pension, might well say he still has to support a wife or, if it is a lady, that she still has to support a husband—and it seems to happen in these modern days. So it could be said that there might be a degree of hardship, if not unfairness, here. The situation in regard to two married old age pensioners who reach the pensionable age at about the same time is obviously fair, because they are both getting the pension, but in these days men sometimes marry much younger women.

Hon. Mr. Flynn: Why not?

Hon. Mr. Grosart: Why not, as the Leader of the Opposition asked. Should they then be saddled with long-term penalties for choosing a younger person.

I am obviously contracting my remarks, because I do want to expedite the passage of the bill. Thank you for your forbearance.

Hon. Orville H. Phillips: May I ask again, through Your Honour, if there is not someone on the other side interested in this bill, or who would like to speak on it? I remember when we used to have one person from each side. Have you no one over there interested in it? If you have, I will be perfectly willing to give you fair play. Is there anyone over there who wishes to speak now?

Honourable senators, I find this rather bizarre and odd, after all the publicity and all the speeches we had from the other side in the Special Committee on Poverty, and so on. What a silent committee; what a silent group you are!

Hon. Mr. McDonald: They are in favour of the bill.

Hon. Mr. Phillips: They are in favour of the bill, says Senator McDonald. You could not even think of an improvement? I have too much respect for you to imagine that you would take that bill as it is right now, and accept it without making an improvement. You are an intelligent man, Senator McDonald, and I am sure that you could come up with many improvements. At any rate, are there any further interruptions, sir?

Hon. Mr. McDonald: No.

Hon. Mr. Phillips: None? Fine. Now that we have settled that, I will continue. In my present mood I think of the Mother's Day card my children gave my wife. It was a card depicting the cross and there were certain beatitudes inscribed on it. As I think of that I say to myself, "Now I know why this bill is coming through. It contains the Liberal beatitude: Blessed are the aged for they shall inherit increased benefits retroactive, especially at election time, and they shall inherit the earth."

But, honourable senators, I find that that really does not fit in with this afternoon's discussion, because seven weeks ago the party to which I am proud to belong, the Conservative Party, moved an amendment in the other place suggesting this very thing. It was interesting to note the reaction of various people. At that time the Minister of National Health and Welfare was against the amendment, saying that we had to have selectivity. But within a short space of six or seven weeks he did an about-face. I suppose for a Liberal that is an exceedingly short time, but it is reasonable to expect that a cabinet minister would be a little more stable than that. He did a complete about-face at that time. He said we had to have selectivity. Those who needed the money most had to receive it and, therefore, there would be no change in the present legislation.

Perhaps it is unnecessary that I should remind honourable senators that it was the Liberal Party, which is now attempting to impose closure in this Senate, which voted down that very motion. Yet tonight we find that we must have this bill passed by a certain hour, by a certain time, or no one gets benefits.

What happened in the intervening seven weeks? What Gallup Poll or what census did you take that made you change your minds? Seven weeks ago, honourable Senator Martin, you did not think as you do tonight. Why? Not an answer. Not a flicker of interest. I know why, and so do you. This is being done deliberately to mislead the electorate on a certain date in July. If I am wrong, I offer the honourable gentleman, for whom I have so much respect, the opportunity to stand up and deny the fact that I am right. Will you stand up and deny that this whole thing was designed for a certain date in July?

Hon. Mr. Lamontagne: Can we stand up?

Hon. Mr. Phillips: Senator Lamontagne, it would not matter whether you were standing up or lying down. You are useless in either position.

Hon. Mr. Langlois: That is very kind.

• (2020)

Hon. Mr. Phillips: I am very happy to welcome Senator McIlraith to this chamber. I have not looked up his vote on the motion. Perhaps he would indicate how he voted on that occasion. Did Senator McIlraith vote for the increase at that time, or did he vote against it? When I am through speaking I would like him to explain his attitude at that time. Naturally, he voted against it. His regime told him to vote against it, and when a Liberal is told to do something he does it—there is no question. There is no tomfoolery about it. He either does it, or he is excommunicated.

Hon. Mr. Flynn: He goes home.

Hon. Mr. Phillips: Yes, he goes home. In some cases this is even worse than being excommunicated. I am sure my friend, Senator Martin, was not listening when I directed my question to him. I asked, "When you voted this motion down in the other place seven weeks ago did you have a date in July in mind? Is this your ultimatum? Did you have a July date in mind?"

Hon. Mr. Langlois: He was not there.

Hon. Mr. Martin: I happen to be in the Senate now. I used to be in the House of Commons many years ago.

Hon. Mr. Phillips: You no longer attend the cabinet meetings, obviously, or you would have known what attitude the government was taking at that time. Are you excluded from those meetings also?

The recommendations from the Conservative Party were much more generous than those recommended in this bill. If anyone wishes to take the time to debate this

matter, I am quite prepared to do so. Otherwise I will skip that portion of my speech, and leave it for committee. Is anyone prepared to say that the Conservative proposals were not more generous and fair than the Keith Davey advertising you are giving us this evening?

Well, honourable senators, since no one has replied to my question, I presume that we have consent that the Conservative proposals are much more reasonable than those proposed in this bill.

Hon. Mr. Forsey: You don't have to find the money. It is much easier to be generous if you are not charged with the responsibility of the government and do not have to find the money.

Hon. Mr. Phillips: When Senator Forsey rises in this debate—

Hon. Mr. Flynn: And from the wrong side of the house too.

Hon. Mr. Phillips: Yes. When Senator Forsey rises like that, I have difficulty in not associating him with Stanley Knowles. They have so much in common, except that the member for Winnipeg in the other place does not have a moustache. I am sure honourable senators will agree with me that our proposals are better than those which either the Liberal Party or the NDP have offered.

I am a little confused. I received from someone a note to the effect that there was an agreement between the Leader of the Government and the Leader of the Opposition that a committee meeting would be held at 8.30 p.m. Well, ultimatums be damned, I still intend to take a few more minutes to say what I wish to say, whether honourable senators like it or not. I will restrict my time, but I still intend to have a few more licks at the government and I will have more on third reading.

Over the past couple of years we have listened to the honourable senator who sits on the left of the government leader—it is an unfortunate position for him, but apparently it is one that he has inherited—make recommendations on poverty and guaranteed income supplements. We have heard this from him almost ad nauseum, but he has never offered a solution to the problem.

At one time a committee ventured to recommend a minimum figure, but even with all your Keith Davey advertising, the honourable senator on the other side of the house is still wrong and is deliberately misleading the electors.

Those who are to get the increase under the guaranteed income supplement will not receive $15 per month, but are likely to receive about $9.

At the time I first became a candidate, the Leader of the Government in the Senate was then a distinguished Liberal. He had such a bright future ahead of him, yet he came out with an increase in old age pensions of $6 per month. That represented a cup of coffee a day. Now he has come out with the same thing, the difference being that he is making it retroactive to January 1.

• (2030)

By the way, I dislike this idea of saying old age pensioners; I am going to call them our senior citizens. Our senior citizens at that time got a cup of coffee a day from the government. That was the generosity of the then Minister of National Health and Welfare. Today we have changed that. Now you get, retroactive to January 1, a whole gallon in one day, and I am sure that if a good many Liberal organizers had their way they would have that coffee rather well spiked on that day. After that, allowing $9 a month and allowing for inflation, they can have another cup of coffee every second day.

Hon. Mr. Langlois: Irish coffee at that price.

Hon. Mrs. Quart: Spiked coffee.

Hon. Mr. Phillips: It would be spiked, yes. Knowing the situation in Ireland I rather hesitate to tread where angels fear to follow, and neither Senator Langlois nor myself are angels, so I do not think we should tread into the Irish situation. They have enough problems without you and I getting involved.

Hon. Mr. Langlois: If you pay that much you should at least ask for Irish coffee.

Hon. Mr. Phillips: Well you can give them one drink of Irish coffee; that will do them for a year. Never mind their other problems as long as they have one coffee.

Thank you very much, Senator Martin. I heard you turn around and tell him to shut up.

Hon. Mr. Langlois: He did not say that. That is your own idea.

Hon. Mr. Choquette: He should have.

Hon. Mr. Phillips: I had a long list of notes here. There are a good many things I should like to go into, but I will leave them for committee and for third reading, whenever third reading comes up. I presume it will be Tuesday next. That is our normal pattern.

The thing that really disturbs me and annoys me is the fact that you are using the Keith Davey advertising technique. You are misleading the public. You are giving these people, the people that you talked about, Senator Martin—those who had contributed so much to Canada, who had given their sons and daughters to Canada—and you do not have one qualm, one quirk of conscience in using the Keith Davey technique in leading them into believing that they are going to get $15 per month. They are not, in fact. Look at your figures. They will be lucky if they get $9 per month. The Minister of Finance, the Honourable John Turner, says, "We have an expansionary budget. We are giving confidence." But at the same time he says that there are more Canadians going on guaranteed income supplement. If we are going to be so successful, why are more Canadians going on guaranteed income supplement? The Canada Pension Plan is coming into effect, of course, and that should have a certain effect. Why, if the predictions in the budget are so good, are more Canadians going on guaranteed income supplement?

I hesitate again, and it really pains me, honourable senators, to ask one of you of the Liberal Party to get up and explain some of these things. I might as well be perfectly honest. There are moments when I have the feeling that you do not understand the situation. You have been told to take this as an election gimmick. Is that not right, Senator Lamontagne? You have been told to take it as an election gimmick and you have so taken it. It will be passed and blessed, and so forth, and passed on in great advertisements throughout the newspapers.

Hon. Mr. Lamontagne: No one tells me anything any more.

Hon. Mr. Phillips: No one tells you anything any more. Well, I can understand that. I will not say anything more than that, Senator Lamontagne.

I have great respect for Senator Benidickson. I am thinking now of what I consider to be one of his best speeches that I have ever heard him make in either the House of Commons or the Senate. He is a very able and distinguished Canadian. The speech I refer to was made when we were discussing the removal of the escalation clause. I have Senate *Hansard* here of December 18, 1970. Senator Benidickson pointed out a good many facts to the present government.

Honourable senators, we often become frustrated when we make speeches which we feel are not listened to, but I feel that there is one person who could, perhaps, contribute a good deal to this debate if he were free—if he were not "Martinized"—and that is the honourable Senator Benidickson. At that time he mentioned—

Hon. Mr. Benidickson: I am waiting to get to committee. Will you not help us?

Hon. Mr. Phillips: You did not go to committee at that time, Senator Benidickson. If you care to check *Hansard* you will find you did not go to committee. You were very eloquent in saying that the government had broken faith—

Hon. Mr. Benidickson: I did not say that.

Hon. Mr. Phillips: *Hansard* conveys that impression. You may deny the *Hansard* record, if you wish, but your remarks are there. You initialled them, I presume, as is your right and the right of all honourable senators. You said the government had broken faith with those senior citizens when they fixed the rate at $80 per month and removed the escalator clause. Do you remember, sir, referring to the fact that there was still a one per cent surcharge to pay for that? I should very much like to hear an explanation of all the tax reforms we have had. We suffered through the tax reform bill. At that time it was going to cost about $15 million. I understand now the figures are up to $18 million. That is controlled inflation under the Liberal government. You could not provide $15 million at that time; the money just was not available; it was needed for those underprivileged people.

• (2040)

Then "Gentle Ben" came along with his tax reform bill. Everybody was getting a tax reduction. I do not think it unfair if I ask honourable senators opposite to tell me which of "Gentle Ben's" tax reductions provided the moneys now needed to give $2.88 per month, six cents a day, a postage stamp per day, to the old age pensioners. Which of your tax reductions provided the money to give this postage stamp increase to our senior citizens?

I do not want to appear to be picking on my friend Senator Benidickson this evening, but at that time he was calling on an awful lot of names. I would never accuse the honourable senator of being a name-dropper, but he went through a fairly extensive list of names. Probably one of the most respected being that of your good wife. Can I ask Senator Benidickson to get up and explain to us where this money came from and how there was this change of heart? Was it through your good influence, or was it through the effect of a Gallup Poll?

In committee I will have a lot of questions to ask, and if Senator Lamontagne develops that smirk again I will have even more.

Hon. Mr. Lamontagne: The answer is obvious. It was through Senator Benidickson's own good influence, not through the Gallup Poll.

Hon. Mr. Phillips: That is very good. I will not delay the passage of the bill. I am in favour of it, as are all Conservatives. However, I am confused. I do not understand why seven weeks ago you could not pass this measure and now tonight we have closure and a deadline of June 30. Cannot you tell us before we finish second reading? Cannot you tell us that before we go to committee?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Martin: Honourable senators, I move that this bill be now sent to the Standing Senate Committee on Health, Welfare and Science. I understand arrangements have been made for us to meet shortly.

Hon. Mr. Flynn: I just want clarification of this. Are we meeting as soon as the house adjourns?

Hon. Mr. Martin: Yes.

Hon. Mr. Flynn: We are?

Hon. Mr. Martin: We have all been sent notices.

Hon. Mr. Flynn: The notices could not be sent before the passing of this motion.

Hon. Mr. Martin: The meeting will be held in Room 356.

Hon. Mr. Flynn: This is like the cheques. The notices could not have been prepared in advance.

Hon. Mr. Martin: They are being sent now.

Hon. Mr. Phillips: May I direct a question to the chairman of the committee? It is my understanding that our rules provide me the opportunity of directing a question to the chairman of the committee. Has he sent out any invitations to any interested groups to appear?

Hon. Mr. Martin: They are going to senators now.

Hon. Mr. Flynn: On a point of order. I suggest the pages wait until the motion is adopted before distributing the notices.

Hon. Mr. McDonald: You can't win!

Hon. Mr. Lamontagne: I am glad the Leader of the Opposition points out that one of his supporters is out of order.

Hon. Mr. Flynn: I have not done that at all. I will explain to Senator Lamontagne what I meant.

Hon. Mr. Phillips: On a point of order. I was quite within my rights to address that question, and I repeat it and ask for a reply. Have you sent out any invitations?

Hon. Mr. Flynn: A question has been directed to the chairman of the committee, whether he has invited some interested people to appear before the committee tonight.

Hon. Mr. Lamontagne: We have not, of course, been in a position to invite anyone before us.

Hon. Mr. Flynn: That is a frank answer. The answer is no. The second question is: will you do that?

Hon. Mr. Lamontagne: We will see about that.

Hon. Mr. Martin: The committee has to decide.

Hon. Mr. Flynn: If to the second question you had given the same frank answer as you did to the first, you would have said no.

Hon. Mr. Choquette: Might I ask a question of the Leader of the Government? There is another bill dealing with war veterans' pensions. There is a further bill known as C-2, the Criminal Law Amendment Bill, 1972. What will happen to those two bills if we go into committee now and there is no quorum? There is only a handful of senators here. What happens then?

Hon. Mr. Martin: Obviously if there is no quorum there cannot be a meeting, but I am sure there will be a quorum.

Hon. Mr. Choquette: There will be a quorum here and in the committee?

Hon. Mr. Martin: No, in the committee. With regard to the Senate itself, we have had discussions, and it is proposed that we would meet now in committee and the Senate would adjourn until tomorrow morning at 10.30. At that time, depending on the progress made by the committee, we would deal with this bill, if it is reported, and would proceed with the legislation proposing other increases for veterans.

Hon. Mr. Choquette: At what time?

Hon. Mr. Martin: At 10.30 in the morning. If possible, we would have an opening speech on the Criminal Law Amendment Bill, 1972, but I do not think we would get any further than that.

• (2050)

The Hon. the Speaker: Honourable senators, there is a motion that this bill be referred to the Standing Committee on Health, Welfare and Science.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Agreed.

Hon. Mr. Phillips: I have one question, Mr. Speaker. Considering the fact that the committee is dealing with this bill tonight, and considering the assurances given by the honourable Senator Lamontagne that the witnesses will be asked to appear, is it proposed that the Senate and the committee will meet at the same time tomorrow morning; or will we follow our normal rule, and if the Senate is sitting there will be no committee meeting?

Hon. Mr. Lamontagne: As far as I understand the rules at the moment—

Hon. Mr. Flynn: It is the rule.

Hon. Mr. Lamontagne: I am not an expert, but I understand that as soon as we adjourn tonight the committee will meet; and if we are in a position to report tomorrow morning to this chamber, the committee will resume its sitting.

Motion agreed to.

PENSION ACT
WAR VETERANS ALLOWANCE ACT
CIVILIAN WAR PENSIONS AND ALLOWANCES ACT
CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
DEPARTMENT OF VETERANS AFFAIRS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-208, to amend the Pension Act, the War Veterans Allowance Act, the Civilian War Pensions and Allowances Act, the Children of War Dead (Education Assistance) Act and the Department of Veterans Affairs Act to provide for the annual adjustment of pensions and allowances payable thereunder.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Langlois: Next sitting.

Hon. Mr. Flynn: With leave.

The Hon. the Speaker: Is it agreed?

Motion agreed to and bill placed on the Orders of the Day for second reading at the next sitting.

ADJOURNMENT

Hon. Mr. McDonald: Honourable senators, I move, seconded by the honourable Senator Langlois, with leave of the Senate and notwithstanding Rule—I am sorry. I wonder if I might have permission to revert to motions.

Hon. Mr. Flynn: I have to be careful with the members on the other side. If it is only for the purpose of moving the adjournment motion, I will give leave for this very restricted purpose. I know the rules, and I am learning some tricks from the government side.

The Hon. the Speaker: I understand now that leave has been granted.

Hon. Mr. McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow, Friday, at 10.30 a.m.

Hon. Mr. Flynn: Honourable senators, I am not opposing the motion. I am merely suggesting, because of the experience of recent days and because of the circumstances surrounding this bill, circumstances that I have been studying all day, that we would do well to adjourn until eleven o'clock. It might help the government, and I am quite sure that we will not miss this half hour tomorrow, if we have something to do. It is a question of time.

Hon Mr. Martin: That is agreed.

The Hon. the Speaker: I understand that eleven o'clock tomorrow morning is the time. Is that agreed?

Hon. Mr. Martin: Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 11 a.m.

APPENDIX

(*See p. 382*)

COUNCIL OF EUROPE
REPORT ON THE THIRD PARLIAMENTARY AND SCIENTIFIC CONFERENCE HELD AT LAUSANNE, SWITZERLAND, APRIL 1972.

1. REPRESENTATION

The 5-day Conference was attended by some 150 European scientists, parliamentarians, science managers and administrators (national and international), and a few invited participants from other countries.

I attended by special invitation directed to our Senate Committee on National Science Policy. Mr. Ian Watson, M.P., of our House of Commons attended as a representative of the Canadian NATO Parliamentary Association. Among other non-European representatives were Honourable James Symington, member of the U.S. House of Representatives' Committee on Science and Aeronautics and Chairman of the sub-Committee on International Cooperation in Science and Space; and Mr. Takao Fujimoto, Director of the Special Committee of the House of Representatives (Japan) for the Promotion of Science and Technology.

All important European science organizations were represented by delegations or individuals including: Ministers responsible for scientific affairs in member states; permanent representatives to the Council of Europe; the European Parliament (EEC); the Assembly of the Western European Union; committees responsible for scientific affairs in national parliaments; "Science and Parliament Associations"; national scientific research councils; The U.K. Institute of Aviation Medicine; European Organizations concerned with Nuclear Research (CERN); launcher development, space research, molecular biology, nuclear energy; and international organizations including the International Telecommunications Union, World Metereological Organization, UNESCO and OECD.

The Chairman of the Conference was M. Olivier Reverdin, the distinguished President of the Consultative Assembly of the Council of Europe, attended by Mr. John Priestman, the Clerk of the Assembly and the Chief of the Secretariat, Mr. Hans-Christian Christiansen.

PARTICIPATION

The conference extended a special request to the Canadian and American representatives to suggest amendments to the Draft Resolutions. The following Amendment by Mr. Watson reflected one of the major concerns of both Parliamentarians and Scientists and had immediate acceptance:

> "that the Council of Europe, in collaboration with the OECD, consider the establishment of a *data bank* designed to identify and describe current research in member States of the OECD and the Council of Europe, as well as of a data bank designed to provide details of all legislation in high interest areas in these countries, and that the Council of Europe should undertake, in collaboration with the OECD, a feasibility study of such a data bank or banks".

I put forward two "addenda". The first was accepted without change as follows:

> "that visible national science budgets comprising the totality of proposed public sector expenditures on research and development and other scientific activities, should be made available to Parliaments at as early a time in the budgetary process as possible and in any event prior to the commitment of public funds to the component expenditures."

In the second Addenda I asked only for an affirmative response by European Governments to "any initiative that might be forthcoming" for the formation of an international scientific and Technological Union of Parliamentarians. The Conference, however, decided that the Assembly of the Council of Europe should take the initiative itself, and proposed that the resolution appear in the "Conclusions of the Conference" as follows:

> "The Consultative Assembly of the Council of Europe take the initiative to constitute, on an international basis, a Scientific and Technological Union of Parliamentarians in order
>
> (a) to provide an institutional mechanism for regular personal contacts and interchanges among members of parliament interested in assuring their responsibilities in respect to national and international science policies;
>
> (b) to promote an effective international flow of science policy information at the parliamentary level."

PROGRAM

This year's Conference program stressed the increasing necessity for members of Parliaments in all countries to become much more involved in national Science Policy decisions than they have been in the past or appear to be at present. The discussion centred around 3 main themes:

1. Parliamentary democracy in the scientific-technological age.

2. European Science policy.

3. Management of technology and parliamentary control. An information paper prepared by the Secretariat indicated that about a third of the Council-member parliaments now have standing science policy committees; 6 have active "Science and Parliament" associations (Sweden 494 members, the U.K. 356 members); and 5 parliaments have regular "hearings" on national science policy.

The Conference found the present general level of competence of Parliamentarians to be totally inadequate to their responsibility for the control of technology. It concluded that "the way in which parliamentarians make use of modern methods provided by science and technology to ensure that they fully comprehend the decisions they

have to take will be decisive for parliamentary democracy." It noted a "shift in power between administration and parliament to the detriment of the latter. This process has been speeded up by the rapid development of technology in recent years . . . Science policy today should not be the monopoly of either the scientist, the administrator or the bureaucrat. The main reason for this is that the laying down of science policies implies a weighting between military, economic, prestige, welfare, and science for science's sake considerations, which is the function of the political institutions. In general the formulation of society's aims and the determination of priorities between various objectives must be a political decision . . . in the democratic process members of parliament have a twofold responsibility; to keep themselves informed of scientific and technological developments and to provide support to well founded scientific and technological projects."

It was with understandable interest that I noted in many of the learned papers strong echoes of recommendations in the Reports of our own Senate Committee on Canadian Science policy. Mr. Jacques Defay, Head of Science Policy Planning in the Belgian Prime Minister's Office, emphasized that any approach to a national industrial strategy must necessarily be within a framework of science policy and aim at "creating (a) growth points for advanced technology by public financing of research and development together with (b) a re-structuring of industry and (c) the organization of public orders for supplies and equipment with a view to promoting the industrial use of research results". Pointing the way for Europe to cope with some of its own technology problems he added the wise observation (equally applicable I think to our Canadian situation): "In fact as our growth brings us closer to American wage levels, as has already happened in Sweden, we shall have scarcely any other alternative than that of becoming competitive in advanced technology, for, like the USA, we shall cease to be competitive in other forms of production".

ORGANIZATION OF THE COUNCIL

The Council of Europe is, of course, one of the great modern organizations working toward European integration. It traces its beginnings to Sir Winston's proposal at Zurich in 1946 for the formation of a United States of Europe which resulted in the United Europe Movement, the 1948 European Congress at the Hague in 1948 and the passing of the Statute of the Council of Europe in 1949 in St. James' Palace, London by the Brussels Treaty countries (the U.K., France, Belgium, Netherlands and Luxembourg) and Sweden, Norway, Denmark, Italy and Ireland. It now comprises 17 Countries in Western Europe. Its admission standards require adherence to democratic parliamentary institutions, and more than one country has been denied admission or has withdrawn because it did not meet those standards. It consists of a Council of Ministers who meet twice yearly in its fine buildings in Strasbourg with deputy ministers meeting monthly; a Parliament called the Consultative Assembly of 140 parliamentarians which meets 3 times a year; and an international Secretariat. It holds joint meetings annually with the Parliament of the European Economic Community (EEC). A representative of the Canadian Parliament attended the Assembly for the first time in 1967 followed by a wide-ranging exchange in 1969 between representatives of this Chamber and the House of Commons in which our own Speaker Deschatelets had so important a role. The Committee on Science and Technology was established in 1966.

INTERNATIONAL COMPARISONS

Discussion naturally centred around European aspects of national science policies, but an outside observer could hardly fail to note how very similar the paramaters are in all developed—and to some extent undeveloped—countries. It is true that public discussion of science policy has come rather later in Canada than in some of the older countries but it seems to have made up for its late start by its current level of intensity. It may well be that the activities of our own Senate Committee have had something to do with that. Indeed, I heard considerable comment on the degree to which suggestions and recommendations arising out of the proceedings and reports of the Committee have been implemented by the Canadian government including, of course, the appointment of a Minister of State for Science and Technology, the acceptance of the important principle of contracting out research and development projects to industry, the recent announcement of a structured industrial development policy, the increased funding of science in industry, and discernable evidence of awareness at political decision levels of the necessity of co-relating decisions at all departmental and agency levels with a visible and articulated science policy.

Canadian comparisons were obvious in many of the agenda topics. Foremost perhaps was the emphasis on the directioning of national science activities to clearly stated and carefully selected social, economic and humanistic objectives. Dr. Hugo Thiemann, the director of the Batelle Institute at Geneva, put part at least of this concept in these words:

> "We therefore observe a gap between education, science and technology on one side, and society and its institutions on the other. Research and development are often no longer considered essential; it has even been stated in public that there is no correlation between economic growth and the effort put into science and technology. Universities are under pressure in order to do research not for the sake of science, but for the purpose of improving the conditions of life. The large government missions which have been the main sources of research and development during the past twenty years are fading out, and the generation now responsible for planning the future of science has not been able to conceive new projects in such a way as to attract and inspire a large number of young people. The latter need orientating towards the problems essential to the survival of humanity, whereas at present, owing to the organization of the scientific world, their efforts are split up into innumerable individual theses."

BASIC SCIENCE

I should hasten to add, before I once again incur the wrath of our basic scientists, that their case for individual freedom of initiative was kept constantly before the conference by a distinguished group of international scientists inspired by Sir Brian Flowers of the U.K. Science Research Council. He is remembered in Canada as one of

the pioneering group of young British nuclear scientists in the early days of Chalk River. I took the opportunity to congratulate him on a successful innings "for the basic scientists had inserted in the Conference conclusions a statement that "there will often be occasions when the scientist's view that, in order to achieve a social objective, a long-term program of basic research is required rather than a program of immediate applicability, will have to be accepted by politicians. There will always be a place for pure scientific research not subordinate to social objectives." That may appear to be only stating the obvious or conversely as merely a necessary caveat to existing cost-benefit analysis pressures, but I think our Canadian experience would indicate that the truth of the matter must be found in wise definitions and delineations of "the place".

THE TWO FACES OF TECHNOLOGY

The usual emphasis on the urgency of the transfer of research into innovation and invention was made over and over again during the Conference. The "two faces of technology" emphasized in our own Committee's Second Report was reflected in the widely shared concern that existing parliamentary and other institutions may not be adequate to cope with the problems posed by rapid advances in technology in science and technology. In its Conclusions the Conference warned of "the limitations of existing vertical structures of government and science in solving the wide-ranging horizontal problems with which society is now faced."

CRITICAL SIZE

There was another clear reflection of a Canadian problem in the concern of delegates about the problem of critical size of entrepreneurial and public agencies to meet in finance and performance current technological requirements of size unique in human experience. We were told that the S & T resources of Europe "can be estimated to represent roughly 60% of the world R & D manpower and possibly 40% of the world R & D expenditure" and that "200,000 Europeans are nowadays engaged in nuclear science and development alone and yet, the fact that after many years of European effort, European countries have to buy American lightwater reactors shows very clearly the inefficiency of European research and development measured in terms of innovation". (Professor A. Buzzati-Traverson of UNESCO)

Again, perhaps an echo of Canadian interest.

CANADIAN ACCOMPLISHMENTS

I am able to report that Canadian progress in science and science policy is being followed with great interest in Europe. A flattering reference as made to the "Canadian break-through" in the field of transversely-excited atmospheric laser (TEA) technology and Defence Research Centre at Valcartier and the National Research Council. Special attention was drawn to the "Canadian initiative" in setting up the International Development Research Centre (IDRC). The Conference recommended that the Consultative Assembly of the Council analyse this "with a view to the establishment of analagous European institutions to promote scientific research designed to aid in the solution of some of the acute problems of developing countries." Honourable senators will have seen the excellent annual report of the Centre just published and the encouraging interim reports now being distributed under title of "Co-operation Canada".

More humbly, perhaps, I can also report that a warm tribute was paid to our Senate Committee's activities by no less an authority than Dr. Alexander King, the science sage of OECD and one of the OECD examiners of Canadian science policy.

TECHNOLOGICAL FORECASTING

Technological assessment and forecasting, the newest point of heavy emphasis in science policy discussions, was a major subject of discussion at the Conference. Action was urged "in order that those responsible for selecting research and development objectives at European, national, regional, company or laboratory level, and in particular Parliamentarians, may be supplied with a full and coherent range of detailed studies of the situation". In this connection, I was able to pass on the news that the Canadian Senate had recently authorized its Science Policy Committee to convene a Conference to establish a Canadian Commission of the Future. This was generally regarded as a unique forward step taken in Canada which will certainly be followed in due course in one form or another in many countries.

APPRECIATION

In conclusion, I record my personal appreciation, as well as those of our Special Committee, for the Council's invitation and for the warmth of the welcome and generous opportunities to participate which were extended to Mr. Watson and myself as representatives of the two Houses of the Canadian Parliament. In summing up, I would say that the organization of the Conference, the papers, discussions and many distinguished "wise men of science" that were attracted were all well up to the levels of usefulness and efficiency of other great conferences such as the International Panel discussions of the U.S. Committee of Science and Astronautics which I have also had the privilege of attending. I return determined to do whatever I can to help make our own Conference on the Future an equally important contribution to national and international science policy.

Allister Grosart,
Chairman of Steering Committee,
Special Committee of the Senate
on National Science Policy.

THE SENATE

Friday, May 19, 1972

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

OLD AGE SECURITY ACT

BILL TO AMEND—REPORT OF COMMITTEE LATER THIS DAY

Hon. Chesley W. Carter: Honourable senators, on behalf of Senator Lamontagne, I request permission to submit the report of the Standing Senate Committee on Health, Welfare and Science later this day.

PENSION ACT
WAR VETERANS ALLOWANCE ACT
CIVILIAN WAR PENSIONS AND ALLOWANCES ACT
CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT
DEPARTMENT OF VETERANS AFFAIRS ACT

BILL TO AMEND—SECOND READING

Hon. Leopold Langlois moved the second reading of Bill C-208, to amend the Pension Act, the War Veterans Allowance Act, the Civilian War Pensions and Allowances Act, the Children of War Dead (Education Assistance) Act and the Department of Veterans Affairs Act to provide for the annual adjustment of pensions and allowances payable thereunder.

He said: Honourable senators, to my mind there is no better way to summarize the complex contents of this bill than to draw your attention to the recommendation appearing in the bill before the explanatory notes on page 1. It reads in part as follows:

> —to amend the Pension Act, the War Veterans Allowance Act, the Civilian War Pensions and Allowances Act and the Children of War Dead (Education Assistance) Act to provide that pensions and allowances payable thereunder will be escalated annually to reflect the full amount of any increase in the Consumer Price Index with the initial escalation to be effective from January 1, 1972, with no decrease—

And I stress the words "no decrease".

> —where in a year there is a reduction in the Index; to amend the Department of Veterans Affairs Act to provide that regulations made under paragraph 6(1)(e) of that Act may be amended at any time during the first six months of 1972 with effect from January 1, 1972; and to provide further for other related and consequential matters.

• (1100)

Honourable senators, my remarks today will be relatively brief, because although this bill is an important one it is nevertheless quite simple and straightforward. In his budget speech on May 8 the Minister of Finance stated that legislation was to be introduced to provide for the annual adjustment of veterans' pensions and allowances to reflect the changes in the cost of living, and the present bill will give effect to that commitment. In the past there never has been any clear-cut principle governing basic changes from time to time in the amounts payable as pensions and allowances to veterans, and in recent years the rates have been reviewed every two years, or so, without any basis or timing being spelled out and made public. Consequently, veterans and their dependents have not so far had any certitude as to the amounts they might be entitled to receive from year to year. This bill will for the first time remove that uncertainty and spell out clearly that the pensions and allowances will from now on be adjusted on an annual basis and that when changes based on an increase in the cost of living are warranted, they will take effect as of January 1, starting with January 1, 1972, as I have already stated.

Finally, the amount of these changes will be arithmetically and automatically determined by the upward moving of the consumer price index. These adjustments will be made as of right. Furthermore, it will no longer be necessary for veterans' organizations to come to Ottawa and plead for a review to recognize the shrinkage in the real value of veterans' benefits because of price increases. The review will be statutory and annual and will be governed by the principle of escalation recited in the legislation itself. The bill, therefore, is to my mind a new landmark in the veterans' charter.

Honourable senators will have no doubt noted that this is an omnibus bill to amend five different statutes, but the principle in all cases is the same. The first statute involved is the Canada Pension Act under which disability pensions and various allowances are paid to veterans and also pensions are paid in specified circumstances to widows or orphans of veterans. I should like to emphasize that the new principle of automatic escalation will apply not only to the pensions themselves but also to the various periodic allowances arising from this act. This includes attendance allowance, clothing allowance, dependent parents allowance and also the new exceptional incapacity allowance that was first enacted about a year ago.

Another point which I should like to stress is that the present bill relates only to the question of changes related to the cost of living; in other words, to the principle of escalation. Veterans' organizations have also been making numerous representations to the government with regard to the basic rates of pensions. In other words, apart from the periodic changes in rates there is also an important question as to whether or not the pensions stand on the right base. The Minister of Veterans Affairs clearly stated in the other place that this question of basic rates is under careful and constant study, and he added that at this time it is impossible to predict the outcome of that study. He pointed out that the present measure should not be regarded—and I emphasize this—as being prejudicial in any way to the review of this question of basic rates. They are indeed two different questions.

The second statute affected by this bill is the War Veterans Allowance Act, and here too the method of escalation

will be the same. As in the case of other recent increases in this allowance, the statutory ceilings will be increased by the same amounts and not by the same percentages as the maximum allowance; in other words, the margin between the maximum allowances and the total income ceilings will remain unchanged.

Another matter of considerable interest in this connection is the question of how the current increase under the Old Age Security Act, also announced in the same budget of May 8, will be treated for purposes of war veterans allowance. In the other place the minister was pleased to announce that the government intends to seek authority from the Governor in Council for a regulation exempting these increases under the Old Age Security Act so that they are not treated as income when computing entitlement under the War Veterans Allowance Act. These veterans, therefore, will quite properly qualify for the increases both as veterans and as citizens.

The third statute involved is the Civilian War Pensions and Allowances Act, which relates, as honourable senators will recall, to various groups of quasi-military personnel such as merchant seamen, auxiliary services personnel, firefighters and the like. These groups will enjoy exactly the same kind of escalation, both with regard to disability pensions and civilian war allowances.

• (1110)

The fourth statute is the children of War Dead (Education Assistance) Act, which provides for tuition fees and living costs of qualified young persons. Here again the escalation will be automatic and will conform with changes in the consumer price index. The fifth statute affected is the Department of Veterans Affairs Act. The purpose of this amendment is to provide that exactly the same kind of escalation may apply, as of January 1, 1972, to those who may be in receipt of treatment allowance. Honourable senators will recall that the purpose of the treatment allowance is to raise the payment made to a disability pensioner up to the equivalent of 100 per cent pension when he is under treatment in hospital for his pensionable disability.

At the beginning of my remarks I said I would be brief. I have described the substance of the bill. It is simple, but it establishes an important new right. Honourable senators will certainly agree with me that Canada's veterans should not be expected to make supplication in matters of this kind. Cost of living changes are measurable, and it is self-evident that they should be met by a standardized procedure such as that defined in the bill.

I should like to make one additional point. In the other place, the minister stated that officials of the department are already making provisonal arrangements for the issuance of cheques to cover the retroactive aspect of all these adjustments, and also to amend the amounts of subsequent cheques in accordance with the provisions of this bill. While it cannot be said at this time exactly when the amended cheques can be distributed, the minister gave the assurance to members of the other place that the revision will be completed at the earliest possible moment.

Finally, for the additional information of honourable senators, I would point out that in his budget speech the Minister of Finance estimated the cost of this new measure for a full year to be $25 million. I commend this beneficial piece of legislation to the consideration of the house.

Hon. George S. White: Honourable senators, I should like to commend Senator Langlois for his very able and clear presentation of this most important bill.

The honourable senator is a veteran with a very distinguished record. He knows, as do other honourable senators who were formerly in the other place, that the Veterans Affairs Committee was never partisan or political in any way. The aim of that committee has always been to do the best possible job for Canada's veterans. As the honourable senator pointed out, the bill we are considering covers various acts, but the escalation applies to all of them. This bill will receive royal assent today. The Leader of the Government has indicated that the bill must be passed today, or indicated that it should be passed today, if the benefits are to be received by the veterans in June.

• (1120)

The honourable senator who introduced this bill read from page 2233 of the House of Commons *Hansard* of Friday, May 12, where the Minister of Veterans Affairs pointed out that the officials of his department—this was a week ago today—were already making the necessary adjustments and all the things required to be done to calculate the increases and prepare the necessary cheques. In view of that statement by the minister it is rather difficult for one to understand why it is absolutely necessary that this bill receive speedy passage today. In years gone by any time there was a change in any of the benefits affecting veterans the veterans had to travel a long, long hard road over a period of years before the bill got into and through the House of Commons. It has always been the custom and the practice in the other place that when there were amendments made to any statutes affecting veterans, and especially pensioners, individuals of all recognized veterans associations would be invited to appear before their committee to present briefs and arguments in support of their recommendations. For instance, let us take a brief look at the action this government took in regard to the manner in which the Woods Report was handled. All veterans have freely admitted and paid tribute to this very fine report which was made by a number of distinguished Canadians. This report was referred to the Veterans Affairs Committee of the other place in 1968, but no legislation was introduced until Bill C-203 in December 1970. That bill was passed by the House of Commons on February 18, 1971, and was passed by this chamber in March, 1971. One of the interesting things about Bill C-203, which was passed pursuant to certain recommendations made by the Woods Report, is that the increase granted to veterans was not made retroactive; it did not come into effect until April 1, 1971, some months after the bill was made law. I say very plainly to the Leader of the Government that in this case where you are granting veterans a very, very small amount—a matter of cents—if the government is of the opinion that this small increase made retroactive is going to influence the veterans' vote in any way, you have misjudged the veterans of Canada.

This house has been in session since February 17, and I can see no reason why the government could not have introduced this bill several months ago. It did not have to

wait for a budget. I am sure all veterans' organizations would have been only too glad and pleased to have had the opportunity to appear before the Veterans Affairs Committee of the other place to present their arguments as to why the basic rate of pension is too low. The minister made two important announcements, both of which have been referred to by the honourable senator who introduced the bill. At page 2233 of *Hansard* of the other place he made the following significant remark, "The adjustment will be made as of right." I underline the word "right," and point out, in case anyone has any question or doubt, that payments to veterans are not charity, because any Canadian veteran who has qualified for a pension under our act has more than earned that pension.

• (1130)

Senator Langlois also referred, in introducing the bill, to the remarks made by the minister that:

> No longer will it be necessary for veterans' organizations to come and plead for a review to recognize the shrinkage and the real value of veterans benefits . . .

and so on.

The minister also put out a release dated May 15 in which many of the things he said in the other place were repeated. I hope the fact that he stated very plainly that it would not be necessary in future for veterans' organizations to appear before them does not mean that they wanted to get rid of them or did not want to listen to their very reasonable arguments. The minister also made a statement about the basic rate of pension and indicated that there is a study going on in his department at the present time.

Under this bill the escalation clause for pensions provides for an increase of 3.6 per cent. I point out that this increase of 3.6 per cent applies only to the amount of pension the veteran receives. If a veteran receives a pension of $25 or $50 a month, the increase under this bill is only a matter of cents. What should have been done was to put the basic rate at its proper level, when the escalation under a bill such as this would, in my opinion, be excellent. Under the Old Age Security bill, which we were considering yesterday, the combined old age security pension and the guaranteed income supplement was increased from $15 to $30, but there has been no such similar increase for veterans.

At present the basic pension for veterans is about $3,500. I have on various occasions tried to find out the yardstick, the method of measurement, or the formula, that has been used by these experts in the Department of Veterans Affairs to arrive at a 100 per cent basic pension for veterans of $3,500. From the very beginning of the Pension Commission, as it is now called—it was called by another name during the First World War, I believe it started in 1918—the basic pension has always been related to the earnings of an unskilled labourer. Certainly that was not putting the veteran at a very high rate. The Woods Commission, which made a most careful and detailed study of the basic pension and what the rate should be, made the following recommendation, to be found in Volume II at page 493:

> The amount for 100 per cent pension should continue to be the earning power of a man in the class of the untrained labourer; as determined by the average wage for this type of employment in the Public Service of Canada.

It is also interesting to note that at page 488, the Woods Report, in going back into the beginning of the commission, made a very interesting comment which might give you some idea of the thinking of the people at that time. This is the quotation:

• (1140)

> The earning power of a man in the class of the untrained labourer is considered to be sufficient to provide decent comfort for himself and his family, that is to say, a little more than enough for subsistence.

We have gone quite a long way since that quotation was made. The earning power of a man in the class of untrained labourer as determined by the average wage for this type of employment in the Public Service of Canada is $4,550 at the present time. Veterans can never understand why, after the presentation of the Woods Report, the basic rate as recommended was not adopted.

If this had been done, then the present increases under this bill, which will be made every year, would be quite in line. But I suggest and submit that until the basic rate of 100 per cent pension is set at a figure in line with the earnings of an untrained labourer in the employment in the Public Service of Canada, the veterans will not be receiving what they are entitled to.

Veterans throughout Canada will watch with interest the speed with which the board or the committee in the Department of Veterans Affairs completes its study on the necessity for increasing the basic pension.

They will also watch with interest, after that report is made, the speed with which the government will then introduce amending legislation.

They will also observe, with more than casual interest, I would say, why these increases have to be rushed through the house, in view of the action of the government on Bill C-203, to which I have already made reference.

If the sole purpose is to get the cheques into the hands of veterans before an election, I cannot tell you in unprintable army language what the veterans will say, but it will be most interesting for veterans to observe what announcement will be made at the coming Legion convention in respect to the basic pension.

I have already pointed out that there was a long delay in implementing the Woods Report. Those who take the Legion magazine will notice that in each edition, under the heading of "Last Post," there is a very long list of deceased veterans—which is by no means complete.

The minister stated, as I read before, that the matter of the basic rate is being considered. Judging by the past record of the government, the matter may be considered for years. Such consideration is not much good to veterans of World War I.

I suggest to the Leader of the Government, and to the honourable senator who introduced this bill, that if this session proceeds in the usual way, every effort should be made to bring in a bill raising the basic rate of pension to the same level as the present wage paid an untrained

labourer in the employment of the Public Service of Canada. If that is done, then the bill we are considering today will just be fine, as far as veterans are concerned.

• (1150)

Although the present bill gives a very small increase to veterans, nevertheless I approve of it. May I say that we on this side do not intend to ask to have the bill go to a committee.

Before I finish my remarks I should like again to ask the honourable senator who introduced the bill to tell me in plain, simple language, that even I, a mere country lawyer, can understand, just how the powers that be in the Ivory Tower arrived at the present basic rate of pension for veterans.

Hon. Orville H. Phillips: Honourable senators, may I ask if there is anyone on the other side who is interested in the veterans and would like to follow the usual pattern of exchanging speakers from one side of the house to the other? If there is, I shall be happy to yield. If not, I am prepared to go on with my usual rambling remarks.

Is there any honourable senator over there interested, and who wishes to speak on behalf of veterans?

Hon. Mr. Prowse: Honourable senators—

The Hon. the Speaker: Order, please. According to the practice, I recognize the honourable Senator Phillips.

Hon. Mr. Flynn: Apparently Senator Prowse wants to speak.

Hon. Mr. Prowse: Honourable senators, there has been a suggestion that every one who sits quietly is not interested in the veterans. If the honourable senator wants to speak, of course, he stands and speaks, but when he suggests that everyone on this side of the house who sits quietly listening to him has no interest in veterans, then he does a disservice to this house and a disservice to each of us.

I do not choose to speak because I think this bill serves veterans. I have a deep interest in the welfare of veterans, and I think that that welfare will be served by the passage of this bill.

Hon. Mr. Flynn: That is a good speech.

Hon. Mr. Phillips: Honourable senators, that is one of the shorter, and perhaps more intelligent, speeches the honourable senator has made in this chamber. However, I still feel that the veterans of Canada would have liked to hear him express his particular interest.

If you have some particular problem and if you are interested in veterans' affairs, Senator Prowse, you must have some complaint about the department. It is not perfect. Why not get up and say that? This is your golden opportunity. Please do not pass it by. You must know that the veterans of Canada have many complaints. I think you will agree with me that Parliament—and by that I mean governments of both political faiths—has definitely failed to live up to certain obligations to veterans. I would invite the honourable senator to express his views on particular problems when I finish my remarks.

Here again, honourable senators, we are facing the guillotine. While yesterday I deeply resented the guillotine on the old age pensions bill, I resent even more the fact that the government side is talking about getting through with this legislation affecting veterans by five o'clock this evening. That is a most disgraceful treatment of veterans. Even this government, which is so short on veterans, must feel a little bit guilty for having brought into this chamber just a few moments ago a measure for which they say they want royal assent by five o'clock. Surely there must be some remorse or some regret over that.

I can assure you, honourable senators, that there is deep resentment over the miserable benefits that are being provided by this bill, and over the fact that veterans are being used as an election ploy. Using old age pensioners in an election campaign is one thing, but using the veterans as an election ploy is an entirely different thing. It is the most despicable form of electioneering that anyone could imagine. I deeply resent the fact that this was brought in at this time for the purpose of July 17. It really annoys me. It aggravates me.

The only thing I can do is apologize to the veterans on behalf of Parliament. I cannot, and would not even attempt to, assume any responsibility on behalf of the government, but I think I can apologize to the veterans on behalf of Parliament for the fact that they are being used like chessmen in an election campaign.

Surely, honourable senators, you must have some respect for the veterans. I know that there are veterans on the other side of the house. I am sure they share my regret and my shame that the government has acted in this way.

It has always been the custom of various veterans' organizations to prepare briefs which they present at meetings of the Veterans Affairs Committee of the other place, usually in the fall.

• (1200)

Unfortunately, perhaps, they have not met as much with this chamber as they should have done, but then I recall the difficulty I had in getting permission to appear before the Health, Welfare and Science Committee which was so capably presided over at that time by Senator Carter. I am sure that if they were given the opportunity, various veterans' organizations would like to come back and appear before us because they have told me that since they appeared before the Senate committee they have developed a new respect for the Senate.

The bill provides certain benefits which have already been explained by Senator Langlois, so perhaps it is not necessary for me to go into them. As usual, he gave a very clear and lucid explanation. But I want to express a very deep concern over the fact that in passing this piece of legislation, this election ploy, we are doing permanent damage to our veterans legislation. I am afraid that future governments and future finance ministers, regardless of their political affiliation, will say that Parliament on this day fixed and decided that there would be an escalation clause, and that these benefits to war veterans will end. Honourable senators, we still owe a great deal to our veterans, and I hope that the idea of an escalation clause will not at any future time prevent the veterans from being the beneficiaries of remedial legislation. Certainly, I must admit that I fear this greatly.

As honourable senators will remember, when the War Veterans Allowance Act was last amended I objected to the fact that the escalation clause in the guaranteed

income supplement, which was embodied in the War Veterans Allowance Act, did, illegally and unfairly in my view, eliminate the extra benefit that the veteran has always received. It had been the custom for those on war veterans allowances to receive approximately $15 per month over and above the old-age security.

I have in my hand one of those Keith Davey press releases concerning Bill C-208 which states that the minister also said that authority would be sought to have the old age security increases declared exempt income for the purposes of the War Veterans Allowance Act so that the recipients of benefits affected will, in fact, receive the benefit of those increases.

Honourable senators will remember that in committee I made motions in an attempt to have this changed. I do not have to tell you the result. The Liberal majority, these people who are so proud of saying they are Liberal, rejected that. They were so liberal that they would not allow an extra $15 per month to veterans. That is now history, but I am afraid that it has set a pattern for the future, a pattern that I deeply regret and very much resent.

Senator White in his remarks referred to the basis of the 100 per cent pension but as we all know, it has been the pattern since World War I that a 100 per cent pensioner received the average income of an unskilled labourer. This to my mind has been one of the most unfortunate aspects of veterans legislation. When you consider the university students and the high school graduates who went off to war, and when you consider their success in later life, is it fair to fix the pension for a 100 per cent disabled war veteran at the average income of an untrained and unskilled labourer? This to me has been the real disgrace of veterans legislation. Of course—and I like to be fair, as honourable senators know—it is not only this government that is responsible. This situation has existed since World War I, and I think it is about time that some move was made to change it.

• (1210)

It is interesting to note that after World War I, $37 million was paid out in veterans' pensions and allowances. However, at that time our gross national product was $5.728 billion or 154.8 times the amount paid in pensions and allowances. In 1964 that expenditure was $181 million while our gross national product was $52.056 billion, or 232.4 times as large. In other words, relating the pensions to our gross national product, from World War I to the present we have dropped around 100 per cent. Honourable senators, are you going to use that in your election campaign? Will you use it as an attraction to veterans?

When I spoke previously on this subject I referred to the fact that Hong Kong veterans were receiving special consideration by way of payment for the treatment they received as prisoners of war at the hands of the Japanese. I mentioned that I thought all our veterans who were prisoners of war should receive special consideration, special medical examinations, and at this particular time in their lives every other possible consideration this country could afford. Honourable senators, today I repeat that plea.

There are many other items I should like to mention but, since we are facing the Martinization five o'clock guillotine and I do not wish to deny veterans the small increase that this bill provides, I will end my speech. I would like to go further, and treat them more fairly, but for the present I will go along with the miserable increase provided under this bill in the hope that a future government will have greater wisdom than the present government, and our veterans will receive better treatment.

[Hon. Mr. Phillips.]

Hon. Chesley W. Carter: Honourable senators, I want to express my support for this legislation. I agree with Senator White, and wish this legislation went further than it does, but I gather from a statement made by the minister—I am not sure whether it was in the house or outside—that this legislation will not preclude subsequent reviews of the basic pension rate. This legislation is merely one step forward, and the basic pension rate will be reviewed from time to time as it has been in the past. However, this legislation will apply to whatever basic rate is determined.

My chief purpose in rising is to draw to the attention of this house a situation which developed since the last time this legislation was amended, particularly as it affects those veterans and veterans' widows who are eligible for the old age pension and guaranteed income supplement. It will be recalled that when the legislation was amended previously, for some reason it stipulated that any veteran over 65 years of age must apply for the guaranteed income supplement before applying for the war veteran's allowance. This applies as well for widows' allowances. In other words, a payment by the War Veterans Allowance Board would be calculated on the basis of the veteran's total income including the old age pension plus the guaranteed income supplement, if any.

On the face of it, this looks rather harmless. But certain veterans, single veterans and more particularly widows of veterans, are placed in a less advantageous position than they were previously. I am aware of several cases where widows are eligible for the old age pension and the guaranteed income supplement. However, some of these widows are able to earn money in various ways, either by babysitting, baking cakes and selling them, or from casual jobs. They must report these earnings on their returns at the end of the year. It is on the basis of their total income that the guaranteed income supplement is calculated. Of course, the more they earn from casual work the less the guaranteed income supplement.

If that clause were not in the legislation, and if they were not required to apply for the guaranteed income supplement, those earnings from babysitting or selling cakes would not be counted as income at all. It would be pocket money, and they would still receive the full allowances and widows' pensions permitted under the act. However, since the change in the legislation, they do not receive the full amount. Their allowance is reduced accordingly, and they actually receive less than they did formerly.

I brought this situation to the attention of the government on a previous occasion in the hope that something would be done about it, but I see nothing in the bill before us that specifically relates to this problem. I feel therefore I should once again bring it to the attention of this house and the government.

Hon. Leopold Langlois: Honourable senators—

• (1220)

The Hon. the Speaker: I must remind honourable senators that if Senator Langlois speaks now, his speech will have the effect of closing the debate on second reading.

Hon. Mr. Langlois: Honourable senators, I wish to express my thanks to Senators White, Phillips and Carter for their participation in the debate. Their views were enlightening.

I wish particularly to address my personal thanks to Senator White for his kind remarks about me. He too has an enviable service record, and a very impressive one as a champion of veterans' interests in both this house and the other place over a long period of years.

Hon. Senators: Hear, hear.

Hon. Mr. Langlois: I had the privilege of sitting in the other place with my honourable colleague for approximately 12 years, and I shall long remember his constant and intense participation in every debate on veterans' legislation, particularly during the years following the Second World War while a member of the Committee on Veterans Affairs which enacted the Veterans' Charter.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Langlois: His remarks today were timely, and I propose briefly to comment on them.

I wish to draw the attention of honourable senators to Senator White's opening remarks concerning the statement which the Leader of the Government was said to have made in this house regarding the need for urgency in passing this legislation.

I believe that my honourable colleague has misinterpreted the statement made earlier by the Leader of the Government regarding the Old Age Security Act which is also before the house. I do not think it is fair to say that the Leader of the Government suggested that a timetable had been set for the bill presently under consideration. As the Minister of Veterans Affairs stated in the other place—and I repeated it almost word for word this morning—at this time it is impossible to state the date on which these revised cheques can be sent out to veterans. The minister added that instructions had been given to the officials of the department to try and get them out as soon as possible. I do not think that anything further was said in this connection.

I am sure my honourable colleague merely misinterpreted the statement made the other day by the Leader of the Government in connection with this other piece of legislation.

Hon. Mr. Flynn: Then you will not ask for third reading today?

Hon. Mr. Langlois: I am asking for third reading, but I am leaving it to this chamber to pass it. I do not think anyone in this house wishes to delay this most important piece of legislation, which is based on a very simple principle of escalation based on the increase in the cost of living index. The sooner this legislation is passed by this house, the sooner will veterans be able to enjoy the additional benefits.

Hon. Mr. Flynn: That is about the same thing.

Hon. Mr. Langlois: I am leaving it at that. There is no timetable and no deadline whatsoever in regard to this piece of legislation, because we do not know when these cheques will be sent out to veterans.

Hon. Mr. Phillips: I am sorry to interrupt the honourable senator, but did I understand him correctly to say that he does not know when these cheques are going to be mailed out?

Hon. Mr. Langlois: The minister said that in the other place, and I repeated it here this morning.

Hon. Mr. Phillips: With regard to the date, is there a distinction between old age pensioners and veterans?

Hon. Mr. Langlois: I think we are discussing two different matters. Old age pensioners are more numerous, but probably the work can be carried out in a more efficient manner in a shorter period of time than in the case of veterans. We have here five statutes. We are dealing with five different kinds of benefits for veterans, and the minister said it was impossible at this stage to state precisely when these cheques could be mailed out. I do not think that I can add anything to the statement of the minister, which was simple and very clear.

Hon. Mr. Prowse: And the cheques are for different amounts?

Hon. Mr. Langlois: Yes. The honourable senator referred also to the statement made by the minister, which I repeated this morning, that it would no longer be necessary for veterans to come to Ottawa to make further representations to the department or government in connection with veterans' benefits. That statement of the minister related only to representations regarding the shrinkage of veterans' benefits resulting from changes in the cost of living index. As the minister stated in the other place, and which I again repeated this morning, this index is a measurable quantity, and although it is very easy to adopt an escalation principle such as the one provided for in the legislation, it does not mean that the Minister of Veterans Affairs wishes to restrict future representations with regard to basic rates or further benefits. To attach such a meaning to these remarks is to misinterpret the statement of the minister.

I come now to the question of basic rates. I do not think I can go beyond what the minister said in the other place, when he stated that the question of basic rates was under constant study and that it was impossible for him to state at this stage what would be the outcome of this study. However, he assured the house that the matter was receiving the consideration of his department.

I thank Senator Phillips also for his timely criticism of the legislation. I wish to assure him that his criticism did not fall upon deaf ears. I am sure the honourable senator will realize that even though it is not always possible to accept recommendations such as those which he made this morning, it does not mean that they will not receive consideration.

Finally, I wish to thank Senator Carter for his important contribution to the debate. As suggested by Senator White, I do not feel that it is necessary for the bill to be sent to the Standing Senate Committee on Health, Welfare and Science. I do not think the bill was sent to committee

in the other place. The House of Commons disposed of this bill in a matter of a few hours. It is a simple bill and is one which commends itself to the consideration of the house.

• (1230)

Some Hon. Senators: Hear, hear.

Hon. Mr. White: May I ask the honourable senator a question? With respect to your remarks regarding the basic pension, in which you mentioned that this is under constant review, even at the present time, what explanation can you give as to why the government did not accept the recommendations contained in the Woods Report? The Woods Committee was made up of experts who made the most extensive and far-reaching investigation in order to make their recommendations as to the basic rate. Do you feel that you have officials in the department superior to the people on the Woods Committee, who can decide what the basic rate is going to be?

Hon. Mr. Langlois: Honourable senators, my honourable friend surely does not expect me to discuss or comment upon government policy. Why the government has prepared this bill as it has and presented it to us is a matter of policy on which I am afraid I cannot comment.

Hon. Mr. Phillips: In my remarks earlier, Senator Langlois, I stated that I do not wish to hold up this bill, but I am intrigued by the fact that you said there is no definite date for these cheques to be mailed out. In view of that, could we not arrange a committee meeting with veterans' organizations for Tuesday next?

Hon. Mr. Langlois: I merely repeated what the minister said in the other place, that it was impossible at this stage to state with precision when these cheques could be mailed out, but that every step was being taken in order to expedite the mailing out of these cheques. I cannot go any further than that, except to say that the sooner this legislation is passed the sooner the cheques will reach the veterans.

Hon. Mr. Phillips: Would you consider, Senator Langlois, convening a meeting of the committee on Tuesday next?

The Hon. the Speaker: May I interrupt at this point? The debate on second reading is now closed.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Langlois: With leave, now.

Hon. Mr. Flynn: You really want it tonight?

Hon. Mr. Langlois: There is no deadline.

Hon. Mr. Flynn: But you really want it tonight?

Hon. Mr. Langlois: I said, "With leave".

Hon. Mr. Flynn: Yes, but I want you to be frank and say you want it tonight.

Hon. Mr. Langlois: Yes.

Hon. Mr. Choquette: You would love to have it tonight.

[Hon. Mr. Langlois.]

The Hon. the Speaker: It is moved by the honourable Senator Langlois, seconded by the honourable Senator McIlraith, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Phillips: Honourable senators, before we have third reading—and I will admit that this point is not directly connected with the bill—I should like to say this: The honourable Senator Langlois, the sponsor of this bill, was generous in saying that our complaints did not fall on deaf ears. I should like to make one particular complaint. In my years on Parliament Hill I have taken a particular interest in veterans affairs. I have received thousands of requests—perhaps the honourable Senator Carter would be good enough to wait to speak to Senator Langlois until after I have asked my question; I am sure Senator Langlois is interested in my question. I have received thousands of complaints and requests over the years, and I had always experienced a most congenial and co-operative attitude on the part of members of the Canadian Pension Commission until last fall when, for some reason, the members of the Canadian Pension Commission were instructed that no one was allowed to reply to a letter except the chairman of the Canadian Pension Commission. I have written letters to the Canadian Pension Commission since last October and have received acknowledgment but nothing else. You can write or telephone as often as you wish—you can write a letter every day, if you wish—but you do not receive a reply because it has to come through the chairman.

Why did the government make that decision? Was it deliberate? Was it done to sew up the requests that have been so long delayed? I for one am not concerned whether my reply comes from the chairman of the commission or any other member of the commission as long as I get a favourable decision on behalf of the veteran. I am not insulted if it is not the chairman who replies to me. As you know yourselves, usually when writing to a minister you get a reply from the executive assistant. Surely any member of the Canadian Pension Commission can write a letter as well as an executive assistant.

I would appreciate it if you would bring this to the attention of the Minister of Veterans Affairs and urge him to use his good offices to have it corrected.

Hon. Mr. Langlois: Honourable senators, I am pleased that my honourable colleague has raised this point because I too have experienced some difficulty since last fall in getting replies from the commission. I intend to lodge a complaint with the minister in that regard, and I will be pleased to pass on the remarks of my honourable friend, as I am in full agreement with him.

Motion agreed to and bill read third time, and passed.

OLD AGE SECURITY ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Chesley W. Carter, for Hon. Maurice Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-207, to amend the Old Age Security Act,

and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Carter: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

• (1240)

Hon. Jacques Flynn: Honourable senators, on the request for leave to proceed with third reading of this bill now, I merely want to say that last night we had a meeting of the Standing Senate Committee on Health, Welfare and Science to determine if it really was necessary for this bill to receive royal assent tonight so that the cheques with the increases might go out in June. Of course, the officials of the department told the same story as the Leader of the Government here and the house leader in the other place, that May 19 was the deadline and that it would make a big difference if royal assent were delayed to next Tuesday, for instance.

I have read the transcript of the testimony given yesterday evening, and I will say that I am not at all convinced that it would really create a problem if royal assent were given only next week. However, having come to that conclusion I realize that the insistence of the Leader of the Government and the way the Liberal majority of the Senate behaved on this bill, mainly by remaining silent, is indicative of the fact that there must be another reason; there must be a hidden reason for asking leave to proceed with third reading now and have royal assent tonight.

Yesterday I said that I could not always proceed on the assumption that the dissolution of Parliament and the calling of an election was imminent. But since the witnesses who appeared before the committee yesterday did not convince me that it is absolutely necessary for royal assent to be given today for the cheques to go out in June with the increases, I have now concluded that possibly the Prime Minister is thinking of dissolving Parliament tonight or tomorrow. I for one would like an election as soon as possible so that we can provide Canada with a more orderly way of dealing with legislation.

I will give leave, we will proceed with third reading, and we will have royal assent to the two bills. If the government wants to dissolve Parliament tonight or tomorrow and if it wants to use these bills for election purposes it can do so. I am so convinced that the people of Canada will not be taken in and that they feel it is about time for a change of government, that I will be happy to forget about the Rules of the Senate, to forget about the afront of which the government was guilty in forcing us into rushing through important legislation. I will leave the government leader and the majority here in this chamber to bear responsibility for the way in which we have had to deal with these two bills.

Hon. Mr. Phillips: Honourable senators, I join my leader in saying that I have no desire to delay this bill. It is deficient in many ways, but I will have the opportunity to refer to some of these briefly on third reading.

Before granting leave, may I ask two questions of the Leader of the Government. Last evening in our committee meeting, before Senator "Ho Chi Minh" objected to my asking questions, the Leader of the Government had great knowledge—do you want me, Senator Martin? I do not have to be as discourteous and as ignorant as the Leader of the Government? The honourable leader, who had certain information, referred not only to cheques but to certain advertisements, newspaper advertisements, and I believe there is even to be an enclosure. I have here the unrevised minutes, although I have not had an opportunity to peruse them to any great extent. Could the government leader tell us now what will be in the advertisements and what will be the letter enclosed with the cheques?

My second question is this. Will he assure us that in granting leave we will have dissolution, and that the Canadian people will have the opportunity of exercising their right of disposing of this arrogant, useless government?

Hon. Mr. Choquette: That is a double barrelled question.

Hon. Mr. McIlraith: Can you not use another adjective than that?

The Hon. the Speaker: I am sure all honourable senators would join in my desire to proceed in an orderly manner. There are two questions involved here. The first is the question of leave. The Leader of the Opposition has indicated that he is ready to grant leave, and if I properly understood the earlier remarks of the honourable Senator Phillips I thought he was also willing to grant leave but that he intended to ask a further question. If leave is granted, I would then put the motion for third reading, which is a debatable motion, and any questions would then be in order. Is that agreeable?

Hon. Senators: Agreed.

The Hon. the Speaker: It is moved by the honourable Senator Carter on behalf of the honourable Senator Lamontagne, seconded by the honourable Senator Giguère, that this bill be now read a third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: I thought on third reading the government leader would reply to the question put by Senator Phillips.

Hon. Mr. Martin: I will, but I have to go out for one moment. I have been called out of the chamber.

Hon. Mr. Flynn: We will suspend the sitting for two minutes, if you like.

The Hon. the Speaker: Honourable senators, may we now suspend the sitting for a few minutes? We are on third reading and this is, of course, a debatable motion.

Hon. Mr. Phillips: Honourable senators, if I may make a suggestion to His Honour the Speaker, in view of the fact that the Leader of the Government has been called out we could suspend our sitting for fifteen minutes.

Hon. Mr. Langlois: Two minutes will be enough.

Hon. Mr. Choquette: There he is coming back.

Hon. Mr. Phillips: I am always trying to help him out.

Hon. Mr. Langlois: We appreciate that.

The Hon. the Speaker: Before the government leader speaks, may I say that I hope we will proceed in an orderly fashion. This bill was not introduced by the government leader, so in speaking now he is not closing the debate.

• (1250)

Hon. Mr. Flynn: No. This is on third reading.

Hon. Paul Martin: I thank honourable senators for their co-operation in this matter. I want to say, first of all, to the Leader of the Opposition that, whatever he may think, the question of dissolution has nothing to do with the proposition that I put before this house. I cannot say anything about that. My honourable friend will just have to wait for events; I think that he will find that the events as they will unfold will fully confirm what I have said.

The primary reason for asking that this bill be passed today was so that we could make June payments as provided for in the bill for which leave now is being granted to give third reading. That was the reason, and as far as I am concerned, the only reason. I would say, if my honourable friend will bear with me, he will see that events will support the position I have taken.

My honourable friend said he was not satisfied last night with the explanations given by the officials for their statement that the cheques could not be issued earlier. I can understand the difference—

Hon. Mr. Flynn: Honourable senators, I will just say this to the leader: I did not refer to the transcript because I think that the record will speak for itself, but if we were to analyze all the testimony taken last night it would involve a lot of time. I would suggest to the honourable leader that he can disagree with me as I disagreed with him, and that should be the end of it.

Hon. Mr. Martin: I fully agree with that, but I would feel that we were satisfied before we brought the bill here that there was a problem of timing. We feel that was clearly confirmed last night by the public servants.

Hon. Mr. Flynn: And I am not expecting anything else from you.

Hon. Mr. Martin: I did satisfy myself, and having made the statements as to the reason for the cheques going out as soon as possible, I wanted to be able to show good faith in making them. I have now in my hands a telegram from the people charged with that responsibility. Here is the telegram I got this morning from L. K. Lodge, Executive Vice-President, IBM Canada Limited. It says:

> This will confirm that in order to deliver the old age security guaranteed income supplement cheques to the Department of Supply and Services during the week of June 12 as requested we must have a firm order by May 19, 1972.

That I think puts to rest any doubt on the question of how important this date was.

I can understand the argument that has been made, that this situation might have been avoided if the administration had acted earlier, if there had been an earlier budget. I can understand that argument. I would also point out, however, that there are answers to that argument. The fact is that the budget was presented on a particular date, and that budget indicated the increases in old age security benefits. We are all anxious to see the senior citizens get the improved pensions, and we would not want to take any step that would in any way preclude their getting these benefits at the earliest possible moment.

Hon. Mr. Choquette: Hear, hear. Have you any other telegrams like that one? You could have requested ten like that. Surely you are not going to go back into the great concern you have for the veterans—

Hon. Mr. Martin: I was about to say, if Senator Choquette will allow me—

Hon. Mr. Choquette: Let us pass to the bill.

Hon. Mr. Martin: I was about to say that this is what all honourable senators now wish. Everyone in this house has consented to give third reading to this bill today, because everyone in this chamber, on both sides, wants to see the benefits going to the old age pensioners.

I am not trying to act—and I am sure that Senator Choquette does not think that I have been so acting—in a partisan way in anything I have said on this matter. I have tried to deal with the bill as objectively as I can. I am satisfied that this is a measure that will commend itself to the Senate, as it commended itself to the parties in the other house, and I am sure that it will commend itself to the people of Canada.

Hon. Mr. Choquette: Hear, hear.

Hon. Orville Phillips: Honourable senators, I have two points that I want to raise on third reading. Senator Martin has been kind enough to give me a third point, that is, the one referred to by honourable Senator Choquette.

When the honourable leader read the telegram from IBM, I wondered did he think he was fooling the Canadian people, did he think that we on this side were naïve enough actually to believe that telegram. What else would an executive do, entering a non-tender, non-negotiated contract with the federal government? What other kind of telegram do you expect from this set? Do you expect them, after a week's debate about this date, to turn around and say, "We can take any date. You name it." Surely you do not think you are fooling this chamber or the Canadian people with that telegram? Both IBM and yourself should be damn well ashamed to put it on the record.

The other point I wanted to raise is the fact that in last night's committee there was great reference to this complicity that is going to go out about this wonder raise. I asked for those papers last night in committee. I was refused.

Honourable senators, this is a very dangerous practice for us to establish. Surely Parliament is entitled to see the letters, to see the advertisements, before they go out? I am sure that if the honourable Senator Connolly (Ottawa West) had been acting as chairman last night, I would have seen them. Such refusal is a very dangerous practice. We are told we cannot see them, that they are not being made up until tomorrow. Whom do you think you are fooling? Do you think the advertising agency is working tomorrow? Do you think they are coming out on Monday? They are prepared to put them in newspapers very early next week. Monday is a holiday. What advertising executive, what agency, is going to be working on

Saturday and Monday? The only one that I can think of would possibly be the one that is operated by the honourable Senator Davey.

• (1300)

It would be interesting to hear what advertising agency designed the ads. Who made up the letter that goes in with the cheques? Nobody objects to the cheques. We are all happy to see them going out, but do you have to put a letter in as well as a newspaper advertisement? Is this not using public funds to sponsor the Liberal campaign? You are going to have to have a lot more than that, honourable senators, to make this government appear respectable.

I will make my third point very briefly. I intend to read from the unrevised transcript of last evening's committee meeting. Senator Thompson asked a question. I do not need to point out to this honourable chamber that the honourable Senator Thompson has had a very long connection with the Liberal Party. Everyone knows that. Perhaps not everyone is aware of the fact that the honourable senator is by his profession a social worker. He asked this question:

> Mr. Chairman, assuming that we, the government, had made a contract with the old age pensioner when he got the basic $75 and because of that contract we are going to see that he gets the increase in the cost of living and that is why we have this raise, we would have to admit that we are $8 short on the amount we should be giving the old age pensioner.

If you will read further on in that transcript of the committee meeting last night you will find that that is correct. If you are in such a rush, honourable senators, that you wish to cheat or deprive the old age pensioners of that extra $8 that they would be entitled to and should receive, then go ahead and pass the bill and have royal assent and call your election.

Again, may I make this plea, that you have dissolution today and that we get rid of this government. I think of the rather bitter debate in the other house in which Honourable Alvin Hamilton described a certain individual as having rabies. He said that when an animal has rabies it is taken out and shot. I am not suggesting that the members of this Parliament should go through that, but I would suggest that they receive a rabies shot in the form of an election.

Hon. Mr. Flynn: Honourable senators, in connection with the telegram that the Leader of the Government thought he should place on *Hansard*, I merely wish to remind him that last night one official of the department explained that, of course, the department was a very important client for IBM—and the client is always right.

Motion agreed to and bill read third time, and passed.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Leopold Langlois: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, May 30, 1972, at eight o'clock in the evening.

25312—28

Hon. Mr. Argue: What a hope!

Hon. Mr. Langlois: Of course, honourable senators, this motion is made under the usual reservation that we will be subject to recall, if necessary.

Hon. Mr. Flynn: Would it be prudent to make our reservations right now for the 30th?

Hon. Mr. Langlois: Oh, yes, it would.

Hon. Mr. Martin: I am sure you should.

Motion agreed to.

The Senate adjourned during pleasure.

At 4.30 p.m. the sitting was resumed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

OTTAWA

19 May 1972

Sir,

I have the honour to inform you that the Honourable Wilfred Judson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, May 19, at 4.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Colonel
Administrative Secretary.

The Honourable
The Speaker of the Senate,
Ottawa.

DOCUMENTS TABLED

Hon. Leopold Langlois tabled:

Copies of Statement on operations under the Veterans Insurance Act for the fiscal year ended March 31, 1972, pursuant to section 18(2) of the said Act, chapter V-3, R.S.C., 1970.

Copies of Statement on operations under The Returned Soldiers' Insurance Act for the fiscal year ended March 31, 1972, pursuant to section 17(2) of the said Act, chapter 54, Statutes of Canada, 1920, as amended 1951.

Copies of Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the sea-bed and the ocean floor and in the subsoil thereof. Done at London, Moscow and Washington, February 11, 1971.

Copies of Memorandum of Understanding between the Department of Communications of Canada and the European Space Research Organisation concerning their cooperation in the field of advanced space technology, signed May 18, 1972.

Report on the operation of the Regional Development Incentives Act and on "Special Areas" incentives for the month of April 1972, pursuant to section 16 of the said Act, Chapter R-3, R.S.C., 1970.

The Senate adjourned during pleasure.

• (1640)

ROYAL ASSENT

The Honourable Wilfred Judson, Puisne Judge of the Supreme Court of Canada acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Wilfred Judson, Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk Assistant.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Old Age Security Act.

An Act respecting the use of the expression "Parliament Hill".

An Act to amend the Pension Act, the War Veterans Allowance Act, the Civilian War Pensions and Allowances Act, the Children of War Dead (Education Assistance) Act and the Department of Veterans Affairs Act to provide for the annual adjustment of pensions and allowances payable thereunder.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, May 30, at 8 p.m.

THE SENATE

Tuesday, May 30, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

THE LATE DUKE OF WINDSOR

EXPRESSIONS OF SYMPATHY

Hon. Paul Martin: Honourable senators, it is my duty to inform the Senate of the death on Sunday last of His Royal Highness the Duke of Windsor.

The Prime Minister has sent the following message to the private secretary to Her Majesty the Queen:

> I should be grateful if you would convey to Her Majesty and other members of the Royal Family this expression of sympathy on behalf of the Government of Canada and all Canadians on the death of His Royal Highness the Duke of Windsor.
>
> His Royal Highness occupied a very special place in the hearts and imaginations of Canadians who displayed their affections openly during his visits to Canada as Prince of Wales. On those occasions the personal warmth and youthful spirit of the man were communicated vividly to the people of this country. All Canadians and especially those who remember him in that role now grieve at his death.
>
> I humbly request that Her Majesty extend to the Duchess of Windsor our heartfelt condolences on this sad occasion.

I know all honourable senators would wish to be associated with this message of sympathy.

Hon. Jacques Flynn: Honourable senators, the official Opposition wishes to be associated with the expression of grief and condolence which the Government of Canada has extended to Her Majesty the Queen and to the Duchess of Windsor.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of The St. Lawrence Seaway Authority, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of The Seaway International Bridge Corporation, Ltd., including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Copies of the Final Report of the Tri-Level Interim Planning Committee, dated May 19, 1972, respecting intergovernmental relations.

Copies of a contract between the Government of Canada and the Town of Fort Saskatchewan, Alberta, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Supplementary report on revised accepted incentive grant offers under the Regional Development Incentives Act and "Special Areas" legislation from the inception of the said Act to April 30, 1972.

Copies of a book entitled "The War Claims Commission: World War II", a consolidation of the Reports of the Commission with related documents and including cases to illustrate the principles and procedures of adjudication, dated 1970.

Report of the number and amount of Loans to Indians made under section 70(1) of the Indian Act for the fiscal year ended March 31, 1972, pursuant to section 70(6) of the said Act, chapter I-6, R.S.C., 1970.

Capital Budget of the National Battlefields Commission for the fiscal year ending March 31, 1973, pursuant to section 70(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970, together with a copy of Order in Council P.C. 1972-998, dated May 11, 1972, approving same.

Copies of a Statement by the Secretary of State for External Affairs respecting Rhodesia, dated May 24, 1972.

Report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1971, pursuant to section 61(2) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

NATO

COMMITTEE MEETINGS AT BRUSSELS BELGIUM MAY 1972—NOTICE OF INQUIRY

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 44(2), I give notice that tomorrow, Wednesday, May 31, 1972, I will call the attention of the Senate to the NATO Committee Meetings held at Brussels, Belgium, 8th to 12th May, 1972.

The Hon. the Speaker: Is leave granted to the honourable senator to proceed with his inquiry tomorrow?

Hon. Senators: Agreed.

SOUTHERN SUDAN

REQUEST FOR AID—QUESTION

Hon. Eugene A. Forsey: Honourable senators, I should like to ask the Leader of the Government a question of which I gave him notice this morning. Has the Government of Canada received any requests for aid for the Southern Sudan?

Hon. Paul Martin: Honourable senators, I have received a notice and I take this as further notice and I will reply, perhaps tomorrow or the next day.

Hon. Mr. Forsey: I am sorry, I left the notice in the honourable gentleman's office before lunch. Do I understand he has said he did not receive it?

Hon. Mr. Martin: No, I received it and I am taking it as notice. I hope to reply either tomorrow or the next day.

CRIMINAL LAW AMENDMENT BILL, 1972

SECOND READING—DEBATE ADJOURNED

Hon. Keith Laird moved the second reading of Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act.

He said: Honourable senators, at the outset I should point out that there are 76 clauses in this bill, and unless this house states otherwise I think it should go to a committee, which presumably would be the Standing Senate Committee on Legal and Constitutional Affairs.

Moreover, the bill does several things. It creates some new offences, it eliminates some older offences, and it contains some housekeeping amendments. For this reason, I think it would be well if it went to committee.

• (2010)

This bill is a measure in pursuance of the process of law reform. While the original Criminal Code was passed in 1892, quite frankly there was not too much in the way of change since that time up until the last three or four years. It is true that in 1954 there was a revision, so-called, of the Code, but that consisted of housekeeping amendments, changes in language, changes in the placing of sections, and that sort of thing. This is part of the process of bringing the Criminal Code up to date.

In that connection we must not forget that to be enforceable a criminal law must have social acceptance. We know from long experience that if a law does not have social acceptance it simply will not work. As a result, we must examine every bill such as this, and make sure that its aim is in pursuance of that objective.

This particular bill does take into account the fact that immorality is not necessarily equated with criminality. In other words, our inclination has been to think that anything immoral is criminal, and that it should appear in the Code as an offence. We all know, however, that changes have already been made in that respect. On the other hand, we have to take into account the situation of society today. It may be necessary to make more stringent provisions against certain conditions such as arise out of violence.

In that connection, honourable senators will know that there has been created the Law Reform Commission under the chairmanship of Mr. Justice Patrick Hartt and, of course—

Hon. Mr. Choquette: I am sorry, but what is the name of that commission headed by Mr. Justice Patrick Hartt?

Hon. Mr. Laird: The Law Reform Commission.

Hon. Mr. Martin: Dealing primarily with the criminal law.

[Hon. Mr. Martin.]

Hon. Mr. Laird: That commission is charged with the responsibility of constantly examining the law, and making recommendations which will be for the betterment of the law. I am not saying that the commission had anything to do with this bill, but I can assure the house that under the able chairmanship of Mr. Justice Hartt we can reasonably expect that in the future there will be other bills based upon recommendations emanating from the Law Reform Commission.

Honourable senators, this bill does several things and I shall try to give you an idea of what they are. As I said, certain changes are housekeeping amendments. Others are of lesser importance, but at least two or three are of considerable importance.

For the first time the Code will outlaw hijacking of aircraft. This includes all the offences that go with it, such as bringing explosives on board without a proper permit, and that sort of thing.

Honourable senators may say that we have done fairly well by those people in Canada who have attempted hijacking. For example, there is the case of a man in western Canada who received so many sentences for so many offences that it seemed likely he would be incarcerated forever. Here justice seems to have been done in a left-handed way, and it is therefore desirable to have the hijacking of aircraft made a definite and positive offence.

It should also be borne in mind that Canada is a signatory to two conventions, one signed at The Hague and the other at Montreal, in which we agreed to make hijacking an offence, thereby putting us in line with other countries which have done, or which propose to do, the same thing. Honourable senators will no doubt agree that this is a highly desirable move.

One reason I think the bill should go to committee is that the maximum penalty for this offence is life imprisonment. The Canadian Pilots Association feels, rightly or wrongly, that the maximum penalty should be death. No doubt that will be the subject of discussion. There is always the problem that if we impose a penalty as severe as death, a person who has hijacked an airplane may become so desperate that he will do anything. The creation of this new offence is therefore a very important change.

The next most important change embodied in the bill is the elimination of corporal punishment. There will be some discussion of this in the course of the debate, or perhaps in committee. For a long time there have been diverse opinions on whether corporal punishment serves the purpose for which it was intended. We have the forceful argument that the imposition of corporal punishment might invite more hate for society, and might encourage an individual to commit a violent crime. On the other hand, there are those who argue that it is the only way to deal with certain people.

In any event, it seems to me that there is good argument for the proposition that corporal punishment should be eliminated, although I readily admit that there are different points of view which may well emerge during the course of this debate, or in committee.

Another change is in the distinction which the law draws between men and women. For example, the respon-

sibility for serving on juries will now apply equally to men and women. Honourable senators will recall the important work done by Senator Fergusson in this connection, and I am glad to report that in reading the *House of Commons Debates* I find that the honourable senator has been given full credit for her work by several members of the other place.

Hon. Senators: Hear, hear.

Hon. Mr. Laird: On the other side of the coin, although the crime of vagrancy has been eliminated, it is proposed to make women responsible in certain areas in which formerly they were not held responsible. For example, it will now be an offence for a women to solicit on the part of others for prostitution purposes. Therefore, it works both ways. But, in any event, several changes have been made in relation to the distinction which the law has heretofore drawn as between men and women.

• (2020)

There have also been changes made with regard to the sentencing of individuals. Provincial court judges, county court judges, and so forth, are now given the power, even though there is a plea of guilty or a finding of guilt, to not register a conviction. I believe this is an advancement, because I know this specific area has troubled several judges to whom I have spoken. They felt that an individual though technically guilty and, therefore, subject to a record which stands for the rest of his or her life, should not be so burdened. This bill gives them the power to avoid this. They have been most anxious to have that power and this bill gives them that particular power.

Another matter that might give rise to some discussion is that there is now an appeal from a conviction for contempt of court. The lawyers among us will know what that means. It is either contempt in the face of the court or contempt outside the court. Heretofore there have been appeals as regards the penalty but never an appeal as regards the conviction itself. This change allows for an appeal from conviction. I am sure that the thought, in framing the legislation as such, was that the power of a judge to charge an individual with contempt of court was a pretty powerful weapon to put in the hands of a single individual who may be suddenly swayed by events and register a conviction which, frankly, under the circumstances, is not entirely warranted and should be subject to appeal. However, this could be a matter for debate. I am not trying to make a dogmatic statement.

The bill also proposes to allow certain more serious offences to be tried by county court judges, offences such as bribery, rape, attempted rape, manslaughter, causing death by negligence. The whole object, of course, is to speed up the administration of justice. The decision to give county court judges jurisdiction to try divorces has worked out very well, they tell me. It has speeded up the disposition of those very troublesome cases which no one really wants to try.

Another instance where discretion is given to judges is in the power to provide for intermittent sentencing where the penalty is less than 90 days. For example, such person could serve his time on weekends. This would enable him to work during the week if, say, he were supporting a family. This is something that a good many judges feel is desirable, because so often the real punishment is not on the individual but on his family.

In the same vein, this bill gives the judges the power to suspend an individual's driving licence on an intermittent basis. But I should point out something that came up in committee in the other place. It is all very well for us to provide for this here, but most provinces have legislation which provides for automatic suspension of an individual's driving licence by its Department of Transport or other appropriate department. However, this, at least, gives a lead and the provinces may follow along if they so desire. The whole idea is that an individual may find it most difficult to carry on with his job and support his family if his licence is completely suspended. So the judge is given the discretion to suspend it on an intermittent basis.

Judges are given the power to discharge a juror for illness, or if for any reason it appears that the juror has arrived at some conclusion without hearing the evidence. For any good reason a judge can now discharge a juror. Up to now a judge could not do so. I believe this is an advance. After all, this sort of thing does happen, particularly illness, and the judge should have that power.

The offence of attempted suicide is eliminated from the Criminal Code entirely. To be quite frank, I believe this only makes sense. What these poor people need is medical attention, not incarceration. As a matter of fact, I have acted in cases where people have been charged with attempted suicide and it always seemed to me a great miscarriage of justice that they should even be facing a judge for such an offence. It is now eliminated entirely.

On the other side of the picture, an offence is presumed if a person is found in possession of a car whose serial number has been obliterated. As you know, this is an old trick: steal a car, obliterate the serial number and carry on from there. The onus is on anyone found in possession of a car on which the serial number is obliterated to show that it was done legitimately, or that the person knew nothing about it, as the case may be.

Another change is the alleviation of the heavy onus placed upon people charged with possessing house-breaking, vault-breaking or safe-breaking instruments. This change is made as a result of various cases and the comments of judges. To be quite frank, I have not practised any criminal law worth mentioning for 20 years, but I understand that at present the onus is on a person found in possession of anything that might be used for housebreaking, such as a screwdriver; he can be compelled to give an answer why he had the instrument in his possession. After listening to what the courts had to say on the matter, it was felt that this was unfair, so the bill proposes to alleviate that onus. In this respect the committee of the other place made an amendment which I think helped the cause considerably. I will not go into details; it will no doubt be gone into in committee.

The debate in the other place and in their committee produced a high grade of argument on this bill, which has been given a pretty thorough going over.

Hon. Mr. Flynn: Do you think we can do the same here?

Hon. Mr. Laird: I am positive we can. That is why I think it should go to committee. I would be inclined to predict

that some of the matters I am raising now will be the subject of very interesting discussion in committee, because I do not think there is uniformity of view on some of them. That is exactly why it should go to committee.

Hon. Mr. Flynn: Seriously, and not just in the routine way, as we have done recently?

Hon. Mr. Laird: This will be no routine thing, I hope, because it is an important bill.

Hon. Mr. Prowse: Perhaps the honourable senator will bring his screwdriver with him.

Hon. Mr. Flynn: If you are there I don't need anything.

Hon. Mr. Laird: All right, bring your screwdriver.

Understandably, disturbing the peace is a rather common offence, of which one could be convicted in connection with a dwelling house but, oddly enough, not in connection with an apartment building. Unfortunately for those of us who, like myself, live in apartments, this loophole has been plugged. Apartment dwellers cannot now disturb the peace without incurring the wrath of the law. In other words, apartment dwellings are in the same category as ordinary dwellings when it comes to laying a charge of disturbing the peace.

• (2030)

This strengthens the Code. We all know that in our present society there is a real problem in connection with the obstruction of police and the obstruction of justice generally. It was felt that the existing penalties were inadequate and they have been increased. The wording of the section certainly makes it tougher on those persons who try to obstruct justice in any way, by threat or by other means. So this is an improvement.

Another thing that will interest the house is that finally Senator John M. Macdonald is vindicated. In the case of theft and allied offences, for the offence to be indictable it will have to involve an amount of over $200 instead of over $50.

Hon. Senators: Hear, hear.

Hon. Mr. Laird: Senator Macdonald worked on this, and it seemed to make sense. As a matter of fact, it was passed by the Senate as Bill S-21 but unfortunately it died on the order paper of the House of Commons. I think that Senator Macdonald, along with Senator Fergusson, deserves full marks.

Another very sensible change is in regard to people who operate vessels while under the influence of alcohol. They will be dealt with in the same way as impaired drivers of motor vehicles. Honourable senators who have had boating experience will realize the need for this amendment. Thousands of small vessels operate in the waters around my city of Windsor, and I am amazed that more people are not killed or drowned as a result of the mishandling of boats by impaired drivers. In addition to putting these people in the same category as impaired drivers of motor vehicles, this bill also creates an offence of operating a vessel dangerously, whether impaired or not. There is certain provincial legislation—at least in Ontario—to help meet a situation like that; but the idea is to get this into the Criminal Code where there is no question about its applying to the whole country.

[Hon. Mr. Laird.]

In connection with an offence which happens far too often, the turning in of false fire alarms, it was felt that the penalties were not severe enough. It will now be possible to proceed in these cases by way of indictment as well as by way of summary conviction. For those who are not lawyers, may I say that proceeding by way of indictment means a more severe treatment, for it enables a heavier penalty to be imposed. We all agree there has to be the utmost deterrent to turning in a false fire alarm. It is a vicious sort of crime.

Honourable senators, in case any of you happen to be in the habit of using slugs in coin-operated machines, it is an offence to do so. In addition, it will now be an offence to manufacture, produce or sell slugs for this purpose.

The bill also provides that a person can be remanded for 30 days for mental observation without a medical practitioner's certificate. With a medical practitioner's certificate, he can be remanded for 60 days for observation. I think this is important, because it is most difficult as a rule to get a medical practitioner into a court room. They are busy enough. They do a phenomenal amount of work as it is. To get them to come into court is a difficult proposition. So I think it is a real advance, particularly for the remote areas, that if it appears to the judge or magistrate that the accused needs mental observation then, without a medical practitioner saying so, the judge can remand the accused for 30 days. In the case where the medical practitioner does say so, the judge can remand the accused for 60 days.

Another point along the same line, which I also consider a real advance, is that the accused may be, or in fact will be, removed from the court room while evidence is being given about his mental condition. It has always seemed a monstrous thing to me that the accused should be present in court to hear such testimony.

I do not know whether any of you have gone through such an experience, but I recall acting for an unfortunate boy who had killed his own mother. Rightly or wrongly, and I guess it turned out rightly, I chose to take the position that he was not mentally fit to stand trial. That poor boy was about 18 years old. By the rules of the court he had to stay in the dock and listen to the evidence being given by the psychiatrist about his insanity.

Hon. Mr. Sullivan: The boy's insanity or the psychiatrist's?

Hon. Mr. Laird: Well, actually, the one who was compelled to stay in court was the boy.

Hon. Mr. Beaubien: And all he had done was kill his mother?

Hon. Mr. Laird: He had to listen to some psychiatrists on my side who said he was not mentally fit, and to some psychiatrists on the other side who said he was. I thought that was a monstrous thing for him to experience. I think you will agree.

Hon. Mr. Sullivan: Certainly, but that is the usual evidence of psychiatrists.

Hon. Mr. Cook: What did his mother say?

Hon. Mr. Laird: Of course, you have a point there. In any event, it was a pretty monstrous thing and I was glad to

see this amendment made to the Code. I am sure you will agree it is a decided advance.

Honourable senators, I feel I have covered the bill fairly thoroughly, except for some housekeeping amendments. I can only repeat that it is in the continuing process of law reform that this bill is brought before this house. It did receive full debate in the other place and quite full treatment in committee in the other place. For example, I might mention that, dealing with the problem of hijackers, the question arose whether or not the section as originally worded created an offence if a hijacker got on a plane and did something while the aircraft was still on the ground. An amendment was made in committee to cover that situation so that if a hijacker got on an airplane it did not matter whether or not the airplane was in flight. If the hijacker took the usual steps that hijackers do take in order to gain control of an airplane, then it was clearly included within the terms of the offence.

Altogether I do suggest to honourable senators that the bill will no doubt be the subject matter of some discussion on certain points in both committee and in debate here. There are bound to be conflicting points of view on such controversial matters as corporal punishment, contempt of court, death penalty for hijackers and that sort of thing, and whether these matters are being approached in the right way.

I am not being dogmatic about this. I think a person would make a mistake if he were to be dogmatic. Just because the bill has passed the other place does not mean, as the Leader of the Opposition quite rightly pointed out, that it must of necessity be accepted by us. The Senate has amended hundreds, perhaps thousands, of bills. This may well be one of those bills which we feel should be amended. Who knows? In any event it is, in my view, a case of definite progress being made in the matter of law reform. We are living in a different society and established values such as we have known are, in many instances, going by the board. As a matter of fact, the standards that we elected to keep were not necessarily always right. I think that in many instances we have been shown that by the younger generation, and more power to them.

• (2040)

I say that, honourable senators, because the simple acceptance of standards for their own sake does not mean they are always right. As a result, this particular type of legislation is desirable to bring the law up to date, and to bring it into line with social thinking and the social mores as they exist today. We either accept progress along those lines, or we perish.

Hon. Lionel Choquette: Honourable senators, it is my intention to adjourn this debate and to speak on this bill tomorrow. However, at this stage I should like to be permitted a question. I understand that at the outset of his remarks Senator Laird assured the house that the Law Reform Commission was not consulted in this matter, and it did not have anything to do with the amendments he has just explained. Mr. Justice Hartt, as we know, is one of the youngest and brightest judges of the Supreme Court of Ontario, and he has chaired this commission for a period of two years. I should like to know from the honourable sponsor of this bill, before I speak on it tomorrow, why this commission headed by Mr. Justice Hartt was not consulted and why it had, in fact, nothing to do with this bill.

Hon. Mr. Laird: That is a fair question. What I said—and this can be read tomorrow in *Hansard*—was that as far as I know they had nothing to do with this particular bill. I still say that.

Hon. Mr. Choquette: Do you know why?

Hon. Mr. Laird: I would say the reason is that the bill was prepared before they were organized and commenced their deliberations. However, I shall try to get more definite information on this, and let you know.

Hon. Mr. Choquette: I move that the debate be adjourned.

On motion of Hon. Mr. Choquette, debate adjourned.

U.S.S.R. PARLIAMENTARIANS

VISIT TO CANADA—DEBATE CONCLUDED

The Senate resumed from Tuesday, May 16, the adjourned debate on the inquiry of Hon. Mr. Connolly (Ottawa West), calling the attention of the Senate to some aspects of the recent visit to Canada of seven members of the Supreme Soviet of the Union of Soviet Socialist Republics.

[*Translation*]

Hon. Renaude Lapointe: Honourable senators, on the occasion of the visit to Canada of the Soviet parliamentary delegation, on which honourable Senator John Connolly reported to us on May 16 in a very thorough and interesting fashion, His Honour the Speaker of the Senate had arranged for a completely informal meeting in one of the Senate lounges, where half a dozen Canadian journalists and writers, both English and French-speaking, could chat with Mr. Alexander Chakovsky of Moscow, writer, critic, editor of the *Gazette littéraire*, and member of the Foreign Relations Commission of the Nationalities Council, and Mr. Michael Stelmakh, a novelist from the Republic of the Ukraine.

The Honorable Keith Davey and I were the co-hosts at this gathering which was held on Wednesday, March 22, from 2.30 to 4 p.m. and which was attended by Mr. Jean-Louis Gagnon, then Director of Information Canada, who has since become Ambassador to UNESCO in Paris, Mr. Roger Duhamel, special adviser to the Secretary of State, who yesterday was appointed Ambassador to Portugal, former Ambassador Robert Choquette, who is now the Director of Information Canada in Montreal, Mr. Christopher Young, manager of the Ottawa *Citizen* and Mr. Erik Spicer, Chief Librarian of the Library of Parliament, as well as a representative of Tass Agency and two interpreters, one for English and the other for French.

Although our French-speaking guests for the greater part of the meeting spoke English, in order to speed up the process, the conversation was at first somewhat slow, because of the requirements of interpretation. But it grew more animated thanks especially to Mr. Chakovsky who gave us, in English, an idea of the distribution of the great monthly of which he is editor, namely the *Gazette littéraire*. This magazine, published in Russian and without

illustrations, has a circulation of over 1,600,000. Mr. Chakovsky added that it could be increased but for a shortage of paper. We immediately suggested he remedy the situation by giving us an order. A literary gazette is also published in the other republics to which the local writers contribute in their own language. The selection criteria for the many manuscripts submitted are set down by a steering committee which decides on the quality of the work including, we believe, its ideological orthodoxy. Questioned about the possibility of publishing an English version of his *Gazette littéraire,* which could be distributed throughout the world, Mr. Chakovsky replied that this could not be done, explaining that other Soviet publications written in various languages are distributed internationally. For instance, in English, there is *Culture and Life* and *Soviet Literature,* and, in French, *Œuvres et Opinions.*

However, what we found most interesting was a list of Canadian authors whose works, translated into Russian, have become very popular in the U.S.S.R. With a certain smile, Mr. Chakovsky pulled out of his pocket a slip of paper containing those names, the enumeration of which was truly a revelation to us. Stephen Leacock ranked first; he is a great favourite over there. Seeing how surprised we were, our visitor added that Leacock's humour being rather of the situation type, its transposition into Russian is relatively easy. Then there is Farley Mowat who, as we know, has written a great deal on the Far North and who unreservedly admires what the Soviets have done in Siberia, and Grey Owl and Morley Callaghan. This list also includes a communist writer who is little known here but who is considered there as one of the most remarkable Canadian authors, Dyson Carter. A novelist from Toronto, Hugh Garner, who often describes the slums and the life of the outcasts of fortune, is also of interest to the Soviets. Lastly, the Russians also find the books of Pierre Berton very fascinating. No French Canadian writer is included on this honours list, but Mr. Chakovsky showed a desire to obtain the titles of a few books in French that might be translated into Russian. We are convinced that the works of about a score of Quebec novelists would be very much appreciated by them.

We had very few books by Soviet writers to offer in return. Mr. Erik J. Spicer started by mentioning the great classics, but he was interrupted at once and asked what we know about contemporary Russian writers. The Library of Parliament only has two collections of short stories, articles and sketches by Mikhail Sholokkov, who is now 67 years old. These books, which are entitled *The Don Flows Home to the Sea* and *And Quiet Flows the Don* in the Penguin editions, were first published in 1965 in the U.S.S.R. and later translated into English in Britain.

Hon. Mr. Flynn: We must have Dr. Zhivago.

Hon. Miss Lapointe: Yes, but not here; I do not think so. Our guests learned with some displeasure that the best known and most admired authors here are Pasternak and Soljenitzyne, whose works, published outside the U.S.S.R., brought to their respective authors the Nobel Prize. Messrs Chakovsky and Stelmakh were quite surprised and found this situation deplorable. They would rather see Canadians read authors who express their country better, in other words, those whose thoughts are more in line with government policy. However, one Canadian indicated that the works of these conformist and edifying writers might not be quite so fascinating.

A concern for courteousness prevented the Canadians who were present to open a discussion, which could have developed into a debate, on the methods used by the Soviet government to repress, intimidate and punish free intellectuals. These methods, which reportedly include confinement to psychiatric institutions which are supposed to be worse than gas chambers, were highly condemned only recently by two great French leftist periodicals, *Esprit* and *Le nouvel Observateur,* and also by writer Thierry Maulnier, of l'Académie française. Would it have been better, under the circumstances, to show courage and raise directly the question or to keep away from it? To answer this is not easy.

Touching lightly on that ticklish subject which is surely more thorny than that of our trade relations, Mr. Gagnon explained to our visitors that we have a limited market for translations due to our small population. Canada, he said, must rely on Great Britain, the United States and France to get its supplies and it buys what is available. Due to the unorthodox character of their works, the Soviet writers who are compelled to publish abroad consequently enjoy an extensive publicity which, it must be recognized, also serves the purposes of a certain anti-soviet propaganda. However, in most cases, those writers are really talented, thus giving rise to a certain interest and then a wide distribution of their works in Western Europe and in America. If it appears normal for the Russians to prefer Canadian authors to others because they dwell on the deficiencies in the capital society, it also seems normal that following the example of the British, American and French people, the Canadians are drawn by the Russian works which do not disguise the deficiencies of the socialist system. We feel, however, that it would be possible for both sides to exchange fewer political and critical works.

Someone said that it rests with the Russian embassy, through the already existing cultural agreements, to make known the modern writers whose works published in Russia, in the Ukraine or elsewhere are representative of contemporary trends and would in French or English translations be more interesting and more instructive for Canadians. We believe that some of these works are already distributed in universities. It is regrettable that we did not think of gathering such information before meeting with these writers. Senator Davey and Senator Yuzyk, who have attended part of the seminar, may have additional details to give on the subject.

The discussion with the chief librarian, Mr. Spicer, centered on the possibility of exchanging parliamentary documents: Debates of the House of Commons and of the Senate, statutes, standing orders, parliamentary guides and so on. This exchange can apparently be worked out and the shipments made without much trouble, through Information Canada. The question of an exchange of writers was also discussed but it should take place through writers' societies now in operation within the two federations.

As for Mr. Stelmakh, he writes television novels. As he was not as loquacious as his colleague, it was difficult to know, through the interpreter, what television programs

are most appreciated by the public. Mr. Robert Choquette, who has written a great number of first rate novels for the French language radio and television networks, briefly explained the evolution of several Canadian writers toward these modes of expression which are not only more up to date and powerful, but also more profitable.

Regarding the exchange of newspapers, Mr. Spicer reminded Mr. Chakovsky that when Mr. Poliansky visited Canada several years ago, he had asked whether the Library of Parliament would be interested in receiving the newspaper *Izvestia*, to which Mr. Spicer had replied: "Yes, provided it is translated into English." The impression he gathered, the other day, was that Mr. Chakovsky did not fully agree because he believes that this newspaper is intended mostly for domestic consumption.

In concluding, I must say that a more protracted discussion and a better briefing, especially on the part of Canadian guests, would have been necessary for an in-depth approach to various questions. In spite, however, of the fact that our Soviet counterparts who had just returned from their journey in Western Canada were obviously very tired, this brief exchange of views, the first of its kind, was very friendly and certainly contributed, at the cultural level, to the inception of more open and fruitful relations in the future.

• (2050)

[*English*]

The Hon. the Speaker: If no other honourable senator wishes to speak, I must declare this inquiry debated.

HEALTH, WELFARE AND SCIENCE

LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE ADJOURNED

The Senate resumed from Wednesday, April 26, the adjourned debate on the motion of honourable Senator Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. A. Hamilton McDonald: Honourable senators, this particular motion, moved by Senator Haig and seconded by my colleague from Saskatchewan, Senator Buckwold, has been before us for a considerable time. I think conditions in Canada have changed somewhat since this motion was first placed on the order paper. Certain problems exist in parts of Canada which, in my opinion, have changed the situation from that which prevailed when Senator Haig brought this matter to our attention.

• (2100)

I am one of those who believe that strikes generally, in both the public sector and the private sector, have increased to a point where they pose a serious threat to the total economy of the country. It seems to me that the heads of labour unions have misinterpreted the ability of the Canadian economy to meet their wage demands.

As productivity increases in those industries which create wealth and add to the gross national product of our nation, labour leaders seem to demand wage increases in other segments of the economy to keep pace with that growth. However, they lose sight of the fact that many people in our country, and in all nations of the world, are not employed in wealth-producing industry.

I can think of two examples of those employed in non-wealth-producing segments of our economy—civil servants and school teachers. If that segment of the labour population which is employed in the wealth-producing areas want their full share of the increased productivity—and, in many instances, in my opinion they have received it—then those not engaged in wealth-producing activities demand, and in many instances receive, similar increases in wages. This, of course, is inflation.

I think, therefore, that if we are to divide the increased growth in our society among all working people, then those who are employed in the wealth-producing industries must take a smaller share in order to leave some of the wealth created to those employed in the non-revenue-producing enterprises of our nation.

Of course, this motion deals with federal legislation respecting labour-management differences and disputes. At least, in my interpretation it deals only with those who are employed under federal jurisdiction and, of course, those who are employed chiefly in the non-revenue-producing sectors of our economy.

Hon. Mr. Haig: No.

Hon. Mr. McDonald: My honourable friend says no, and I can understand his reason for saying that because I recall his remarks in introducing this motion, to the effect that it includes those, for instance, employed by Air Canada. Of course, they are revenue-producing but, by and large, they are in the minority and not the majority as far as this motion is concerned.

I doubt the wisdom of the Senate involving itself in this matter at this time. It is my understanding that there is legislation before the Legislature of Ontario dealing with this particular matter. I, for one, would like to read those debates and any legislation introduced by the Government of Ontario. Bill C-183, an act to amend the Canada Labour Code, is before the House of Commons. I would like to see the result of the debate on that particular bill before we proceed with the motion of Senator Haig.

This is not to say that I am not as much disturbed as the honourable senator opposite by the attitude of labour in many areas in our economy today. I repeat, however, that because of the situation prevailing in the Province of Quebec at the moment—I am happy to see that it is not as out of line today as it was ten days ago, and my hope is that the situation there will continue to improve—I believe this house would be well advised to postpone any activity in this area until such time as the field is a little clearer than it is at the moment, and until such time as we have heard all the arguments in the Legislature of Ontario, and those in the other place and this house with respect to Bill C-183.

I hope, therefore, that there will be unanimous consent, or at least majority consent, to the postponement of a decision on this motion until a later date.

In saying that, I wish to repeat that I am equally concerned with the problems facing this nation, and the nations of the western world, arising from the demands of

labour. In my opinion, if one takes the time to produce statistics they will show that labour has been well treated in Canada, as it has been in the western world. I think one can also produce statistics to show that labour today spends less time in earning the finer things of life, including homes, than ever before.

We must in this country, as we must in the western world, convince labour that it can take only its fair portion of the fruits of the combined activities of management, finance, and labour that produce goods and services which are available to the peoples of the world. It seems to me that one of the problems confronting Canada and other western nations today is the risk of pricing ourselves out of world markets. In the long run there is not one segment that will suffer more as a result of such policies than labour itself.

Therefore, I hope we can agree to postpone this motion until a later date. At another time I would be quite prepared, unless there is a change of attitude, to give full support to Senator Haig's motion. I do not think this is the time to proceed, and I hope that my colleagues support me in my theories.

Hon. Mr. Forsey: May I ask the honourable senator a question? Where does he get this distinction, which I thought had died out with the physiocrats of the eighteenth century, between wealth-producing activities, or revenue-producing activities, as he called them, and non-wealth-producing, or non-revenue-producing activities? Surely he is not suggesting that only the production of physical commodities, or their transformation from one form to another, is wealth-producing? Surely the teachers and the civil servants are producing wealth in the sense that modern economists understand it, unless economics has undergone a complete transformation since I was studying it some years ago.

Hon. Mr. McDonald: I agree entirely with my honourable friend's remarks but, after all, I do not think you can measure in a dollars-and-cents return to the nation the ability to pay increased wages to those segments of our society to which he referred, in the same fashion in which you can measure it to pay increased wages to employees who produce goods and services which are sold for dollars and cents to the consuming public. If those segments of the labour force producing goods and services which are sold for dollars and cents take a full return out of the economy there is nothing left for other segments of society, civil servants as an example. In my opinion, we have to rationalize and see that the whole of the labour force in our country receives its fair share of the increase in the gross national product. In many instances in the past I do not think that has been the case. Such a situation is not fair.

• (2110)

In addition, there is that segment of the labour force which is not organized. I do not think anyone will disagree with me when I say that the unorganized segments of the labour force have not received the regular increases in salaries which the highly-organized segments of our society have. That is very unfair. I believe that every segment of our society is entitled to its fair share of the increase in the gross national product of this country.

[Hon. Mr. McDonald.]

Hon. Ernest C. Manning: Honourable senators, this motion proposes a study directed particularly to the efficiency of existing federal legislation in bringing about a settlement of labour-management issues and disputes in areas affecting public services.

Senator McDonald pointed out that this is only one area in which the whole issue of labour-management relations today is causing a great deal of concern, not only to those connected with the labour movement but to Canadians as a whole.

There is much to be said for the point made by Senator McDonald. Studies are today going on in provincial jurisdictions across Canada, which also have a deep concern because of the disruptions which have taken place, or which are threatened, in various areas of the Public Service.

These may be quite valid reasons for deferring for some time the type of study proposed. My purpose in speaking to the motion is to suggest that perhaps the Senate should consider something that goes considerably further than merely postponing until a later date the type of study proposed here.

It seems to me that most Canadians will agree that the whole problem of labour-management relations is a serious national issue, requiring serious attention not only by governments, management, and labour, but also by the Canadian public generally.

We are all familiar with the seriousness of disruptions in public services which are occasioned when the present machinery is unable to resolve disputes. We have strikes and the tying up of essential public services, causing not only great inconvenience but actual hardship to thousands of completely innocent people who have no direct part in the dispute. No one would want to see continued the situation which has occurred during the past year.

It is equally true that in the commercial and industrial world this country is losing hundreds of thousands of man-hours of work every year. We are seeing created a great deal of hardship on the part of those whose income is affected by strikes and lockouts. We are also seeing our competitive position in the world of trade, as we know it today, jeopardized by the impact of this type of thing on our total national economy.

In looking back over a number of years, most of us will agree that the working people of this country, and other countries, have fought their way through a very difficult period. There was a time when labour conditions certainly were bad and statutory provisions were very limited. There was little that regulated hours of employment, and little in the way of minimum wages, fair labour practices, and other things. A great deal of credit is due the working people who acted and did something on their own behalf to try to correct some of their concerns.

Governments became more and more responsive to the validity of their arguments, and we have in Canada today, at both federal and provincial levels, a considerable amount of legislation having to do with the legitimate protection of the rights and interests of employees. However, it seems to many of us—and it is interesting to see that it is now being publicly stated by some labour leaders on this continent—that the technique of strikes and lock-

outs are becoming obsolete in the complex society of today, where the interests of so many thousands, and in some case millions, of people can be quickly affected by these issues.

The practices which have grown up over the years are no longer suitable for coping with the problems of our modern society, and new techniques must be developed. This applies not only to the Public Service, but also to industry and commerce, and, indeed, right across the board.

I know that these matters are already familiar to honourable senators. My reason for drawing them to your attention is that this Senate, in the months and years ahead, could perhaps render a very valuable service in this important field by going considerably beyond what the resolution proposes, which is simply an examination of existing federal legislation in one field.

We have in the Senate a considerable number of standing committees, but it is significant that we do not have a standing committee dealing with labour-management relations. I submit that this subject is a far bigger issue in Canada today, and is more important in its relationship to the interests of Canadian people, in its bearing on our productivity, our standard of living, and the welfare of our wage earners, than many of the subjects for which we have standing committees.

I personally would like to see the Senate consider, when the matter is finally examined and disposed of, the establishment of a standing committee on labour-management relations, to inquire into labour problems in the Public Service and into the larger national issues arising from disruptions in the productivity and the labour force of this country. I do not feel that the Standing Senate Committee on Health, Welfare and Science is particularly constituted to do the kind of investigation about which I am speaking. I mention this now so that honourable senators might give some consideration to it. My hope is that later on we might seriously consider the establishment of a permanent standing committee of this house to examine into all matters as they come up from time to time in this all important area of labour-management relations. Perhaps such a committee, through its studies, could help develop some new techniques more appropriate for our twentieth century and technological age than those which we now have. I feel such a committee would render a valuable service to the Canadian people.

• (2120)

On motion of Hon. Mr. McElman, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, May 31, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

SENATE ACCOUNTS

STATEMENT TABLED PURSUANT TO RULE 112

The Hon. the Speaker informed the Senate that, in accordance with Rule 112, the Clerk of the Senate had laid on the Table a detailed statement of his receipts and disbursements for the fiscal year 1971-72.

REFERRED TO COMMITTEE

Hon. Donald Smith: Honourable senators, I move:

That the Clerk's accounts be referred to the Standing Committee on Internal Economy, Budgets and Administration.

Motion agreed to.

THE SENATE

HOURS OF SITTINGS—QUESTION

Hon. Jacques Flynn: Honourable senators, Senator Molson, Chairman of the Standing Committee on Standing Rules and Orders, has just arrived in time to answer this question. On those days when our committees meet in the morning, I am wondering whether the Senate chamber could not convene at 2.30 p.m. These committees sit rather late, and the Parliamentary Restaurant is very busy at noon. It seems to me that if we were to finish the house sitting half an hour later on those days it would not do any harm. I hope I am not hurting the feelings of the Leader of the Government in suggesting this.

• (1400)

Hon. Hartland de M. Molson: Honourable senators, I think that all members of this chamber are aware that the Standing Committee on Standing Rules and Orders exists only to carry out your wishes. If it is the wish of the chamber that the time of sitting be reconsidered, then I am sure the committee would be very glad to entertain that suggestion.

There are other points, if I may be permitted to make this comment, which need the attention of the Rules Committee. At the moment at least three new standing committees have been suggested. I have received figures with respect to the numbers of senators required for existing committees and have placed those against the number of senators available in Ottawa to attend meetings. I might say that the statistics do not really meld well. We may have to consider restructuring some committees, possibly reducing their size, renaming some or changing their responsibilities. In any event there is work to be done and I would be very glad to have the matter of sitting hours considered when the committee next meets.

BUSINESS OF THE SENATE

LEGISLATIVE PROGRAM BEFORE SUMMER RECESS—QUESTION

Hon. Hartland de M. Molson: Honourable senators, I am sorry to be speaking again so soon but I have a question for the Leader of the Government. Could he inform the house as to the legislation he expects or even hopes will come to the Senate before the summer recess? And if I may be permitted to add a very brief word of explanation, it seems there are indications that some rather important matters may reach us. For example, Bill C-201 might easily be among the legislation that we can expect.

• (1410)

Hon. Mr. Benidickson: What bill is that?

Hon. Mr. Molson: Bill C-201 is the Foreign Takeovers Review Act. If that bill is to be passed by the Senate, we shall need time. It is a bill on which we might want to hear witnesses. In any case, there are some far-reaching principles involved, from my reading of the bill and of the speeches made so far in the other place. I believe the Senate should be given adequate time for its consideration if and when we receive it.

Hon. Senators: Hear, hear.

Hon. Paul Martin: The very question that Senator Molson has put has been very much in my own mind. The matter is being discussed—

Hon. Mr. Flynn: The answer is more important than the question.

Hon. Mr. Martin: —with the government and the leader on the other side. As soon as a definite decision is made on what measures will be taken up before the adjournment, I shall advise the Senate. I hope that will not be too long.

Hon. Mr. Flynn: I would be very surprised.

Hon. L. P. Beaubien: May I ask the Leader of the Government whether there is any possibility of our receiving Bill C-201 before the end of next month? Perhaps we could have the substance of the bill referred to the Standing Senate Committee on Banking, Trade and Commerce. Without pretending to know much about the bill, it seems to me that there are many things in the bill that we should study carefully and perhaps hold public hearings on. I hope the bill will not reach us in the last few days of next month, when most of us will be thinking of going on holiday. I would ask the Leader of the Government whether we might follow the course I have suggested.

Hon. Mr. Martin: I will certainly give that matter consideration.

Hon. Jacques Flynn: On a point of order, I am not against the idea suggested by Senator Beaubien but I should point out that to consider the subject matter of the bill in committee is not the same thing as considering the bill under normal circumstances when it reaches us. I have tried before to make that point clear, but without

success. I warn the government leader. I do not want to take him by surprise. That is difficult to do anyway. If too much legislation reaches us in the last week before the summer adjournment, unless the leader uses the big stick, which he tried to do two weeks ago, we will have to sit after the House of Commons have adjourned. They will just have to come back to deal with amendments or for royal assent.

Hon. Mr. Martin: May I say to the Leader of the Opposition, in the best of humour, that I never use the big stick.

Hon. Mr. Flynn: You have someone else use it.

Hon. Mr. Martin: The argument of sweet persuasion always seems to be effective with my honourable friend.

Hon. Paul Desruisseaux: Honourable senators, being one of those who made some criticism in this regard when the tax reform bill was before this house, I should like to put a question to the Leader of the Government. I should like to preface my question by commenting on what was expressed then. At that time the hope was expressed by some of us that in the future we would be given ample opportunity to undertake a full study of all important bills submitted to us. I hope that this comes about.

My question is this: Does the Leader of the Government wish this chamber to handle some of these important bills even before they are adopted in the other place?

Hon. Mr. Martin: As I have already told Senator Beaubien, that matter is one for the Senate as a whole to consider. It is not a matter for my consideration alone. I share Senator Desruisseaux's view that the Senate be given the fullest opportunity to consider every bill. That is the position that is open to every senator. No senator can justifiably say with regard to the past or the future that he is not free to apply his judgment to any measure that is before the Senate.

Hon. Mr. Flynn: The record will speak for itself.

Hon. Mr. Desruisseaux: The last time this happened was in connection with the tax reform bill, and at that time the Senate was accused . . .

Hon. Mr. Benidickson: The Old Age Security bill.

Hon. Mr. Desruisseaux: . . . of being unable to do it. Well, it is not that the Senate cannot do it; it can. I am looking for the wish of the Leader of the Government in this regard.

Hon. Mr. Martin: I do not think that anyone has been more active in giving effect to that wish than the Leader of the Government in the Senate.

Hon. Mr. Flynn: With less result.

Hon. Mr. Martin: If the press took a contrary view it was not because of the wish of any honourable senator not to give the maximum amount of time to the consideration of all problems. To repeat, it is up to each senator to determine how much time he or she wishes this chamber to take on any measure that comes to it, either by way of initiation in the Senate itself or by way of dealing with a measure that has come to us from the other place.

While I am on my feet I should like to say to Senator Desruisseaux that we are all glad to see him back in his place at this time.

Hon. Senators: Hear, hear.

Hon. Allister Grosart: Honourable senators, on the matter under discussion I wonder if I might, with respect, say to the Leader of the Government that the continual repetition of the platitude that senators are free to delay legislation is not helping the problem that is before us.

Hon. Mr. Flynn: Yes.

Hon. Mr. Grosart: He has made this same statement on many occasions. I am not going to say that he is aware that it is not true, but I am quite sure that he is aware that it is an unrealistic assessment of the situation that continuously confronts us on these last minute rushes.

I would therefore ask the Leader of the Government if he has initiated discussions through the usual channels to make sure that this kind of thing about which the Senate has been objecting for many years will be ended. Can the Leader of the Government tell us that this matter is under discussion through the usual channels and that a solution is imminent?

I say to him that intelligent men and women in this chamber and in the other place as well as in the cabinet and in the government can eliminate this problem if they have the will and put their minds to it. We have constitutional arrangements whereby conferences between the two houses can be held when matters of controversy arise between them. I suggest to the leader that in a matter such as this he might anticipate that kind of a situation and immediately initiate discussions. I believe it can be done and I believe it is the will of this Senate that it be done.

I ask him: Has he initiated that kind of discussion through the usual channels? And he knows what I mean by the "usual channels."

• (1420)

Hon. Mr. Martin: That was a long question. I will simply say that within the last hour, with the assistance of a number of my colleagues, I have been discussing this matter with the head of the government himself.

Hon. Mr. Flynn: That is the shortest answer the government leader has put on the record this year.

CRIMINAL LAW AMENDMENT BILL, 1972

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Laird for the second reading of Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act.

Hon. Lionel Choquette: Honourable senators, I am not rising to oppose the second reading of this bill, which was so eloquently explained by our colleague Senator Laird. This bill was given careful consideration in the other place, and received third reading there, not with a bang or a whimper but with the gentle sound of angel's wings; it passed without a recorded vote. Nevertheless, it is a bill of 76 clauses, and its purpose is to amend, not only the Criminal Code, but five other acts as well. It is thus an

omnibus bill, and once again I must indicate my distaste for this kind of legislation.

Honourable senators, I have spoken about omnibus bills so often that you might think it is an obsession with me. Believe me, it is not. If, for instance, we want to amend five acts and we are making an amendment to the Criminal Code, any lawyer wanting to make a search for the amendments to the four other acts will not be able to ascertain the amendments that were made unless and until he knows and is aware that at this date in proposing and putting through an amendment to the Criminal Code there were also proposed and put through amendments to the four other acts.

We now have available to us a splendid set of Revised Statutes. We know that statutes are revised periodically, and we start from there; at that date the Statutes of Canada have been revised and all the amendments, whether or not they were put through by an omnibus bill, are brought up to date. There is no difficulty there. We have the Revised Statutes of 1970. If we are going to repeat our past mistakes and superimpose or inflict on the Revised Statutes omnibus bills of this kind, I wonder where we will be in a few years so far as finding the law is concerned.

There must be a more intelligent way of accomplishing a desired result without unduly complicating the statute book, even if some amendments to the rules of both houses are required. When I say that amendments to the rules of both houses might be required, we should say that we like to have a bundle of amendments, so let us amend our laws to have a bundle of amendments proposed; but let us make sure that each act is amended by an act that is proposed now, even in the form of a bundle, but not an omnibus bill.

I hope I am making myself clear and I hope also that the leader will see the authorities in the Department of Justice and ask them to put an end to this nonsense of omnibus bills. I am serious when I say this.

The bill is also quite an eclectic document. It is drawn from the reports of parliamentary committees, from international treaties, from private members' public bills and, I understand, from the recommendations of the Criminal Law Section of the Commissioners on Uniformity of Legislation in Canada. I regret that it does not have the imprimatur of the Law Reform Commission, which was initiated some years ago with considerable fanfare for the primary or initial purpose of revising the criminal law. However, Senator Laird has undertaken to explain the apparent by-passing of this commission.

I am particularly pleased that the initiative of our colleague, Senator Fergusson, in introducing a bill to remove the distinction which the law now draws between men and women in serving on juries in criminal cases, has been recognized both in the other place and by the sponsor of this bill.

The first purpose of this bill is to deal with the offence of skyjacking and related offences involving the endangering of aircraft in flight and the taking onto aircraft of offensive weapons without authorization. Some of these offences may have been dealt with under existing law in other ways, but here they are dealt with explicitly.

[Hon. Mr. Choquette.]

Ever since the invention of the round wheel, men have taken a very dim view indeed of any interference with their means of transportation. Mankind is mobile. In the last century, horse stealing was a capital offence, and on every stage coach, sitting beside the driver, was a man who "rode shotgun." Today we are faced with the phenomenon of hijacking aircraft—very often with a political motivation, sometimes with the motive of making money. These are serious matters which deserve to be dealt with explicitly and firmly, pursuant to the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed in Montreal on September 23, 1971, and the Convention on the Unlawful Seizure of Aircraft, signed at The Hague on December 16, 1970.

Honourable senators, I have never "ridden shotgun," nor was I ever a rider on the Pony Express, but I did experience a bomb threat to an aircraft while it was still on the ground, an aircraft on which I was due to travel. That was bad enough, and I can well imagine the emotions of the passengers during a skyjacking attempt while the aircraft is in flight. I want to tell you about my sad experience of last fall. I was boarding the 12 o'clock midnight plane from Toronto with one of my law associates. At five minutes to 12, the pilot came into the passenger compartment of the plane and said: "There is a bomb threat; I know it might be a hoax; it happens nearly every week, especially with Air Canada; but we cannot ignore it completely and I would ask all passengers to get out of the plane, leaving all their luggage undisturbed where it is at the present time."

We were taken inside the terminal building of the airport where we were served sandwiches, tea and coffee, and entertained as best these people could. They had to tow our airplane to the remotest spot on the air field so that if it did explode it would not affect the other aircraft. But in the meantime all of our luggage was brought out and opened on the premises. The staff of Air Canada and all of the available provincial constables inspected the luggage. It was obvious that there was nothing to be found. Nevertheless, the anxiety caused by all this commotion was really hard to bear.

• (1430)

Three hours later two buses took on all of the passengers who had been inside the building, as I have said, and transported us to the extremities of the airport where we were able to get on our airplane again. In the meantime the five stewardesses who had been with us at the beginning of the bomb scare, and who had begged us at all times not to mention bombs, apparently were so disturbed by these events that the authorities thought it better to replace them with five new stewardesses who came and took their places so that they could go and stay in their hotels in Toronto. We had no prior knowledge that they were going to be replaced.

The point is that here we were on land going through very troubled times and anxiety; but what if we had been up in the air when we experienced these events? When somebody threatens you in the air it is not only a threat to the pilots. Of course, the pilots really have a double duty in that they have to take care of themselves and have to take care of the crew and the passengers, but when you are in the air any false move might cause a catastrophe.

Having gone through this sad experience I can well imagine now what it would be like for people who are up in the air when there is a hijacker trying to extort money or something of that sort.

Not long ago on a radio program called "Livewire," people were asked to make comments on the subject of hijackers. Without exception all of those who called in to give their opinions said that capital punishment should be meted out to such gangsters and such fools. Someone even suggested that hijackers should be given a parachute that would not open.

Honourable senators, I am sure this bill will be sent to committee. I am equally sure that the pilot associations will be called upon to give their views on the subject and on whether, in their opinion, the proposed punishment to be meted out is sufficient according to their past experiences.

No doubt this bill will be given careful scrutiny in committee and perhaps we might then have the benefit of the opinions of the pilots as to the adequacy of its provisions. While the bill is perhaps directed mainly to skyjacking, there are many provisions therein proposing amendments to the Criminal Code in very important particulars. There are 20 or 25 of these. I do not propose to go into each of them in detail at this time. However, I should like to introduce a *caveat* as to the general direction in which the criminal law appears to be heading. While no one would advocate the retention of corporal punishment or things of that nature, and while no one would argue that the criminal law should not be humane in its application, nevertheless, we may ultimately lose sight altogether of the fact that the criminal jurisprudence exists for the protection of the public. We are making it easier and easier for criminals to avoid the consequences of their misdeeds, and more and more difficult for those in charge of law enforcement to execute their duties. There has to be a boundary somewhere and we must be careful that we do not overreach it.

As one small example, this bill is removing the offence of vagrancy, and I should like to hear more in committee on this matter in so far as the administration of the criminal law is concerned. As we all know, there was a charge of vagrancy in our Criminal Code, and it had been there for years and years. This meant that if police officers in carrying out their duties or while on the beat saw suspicious characters, they could ask them to give an account of their conduct; they could ask, "What are you doing here? How much money have you? What is your purpose in being around here?" And if the persons asked could not give a satisfactory account of themselves and of their conduct they could be brought in, questioned further and could be charged with vagrancy. I am sure that some of the authorities, and particularly some of the police authorities, are quite concerned about the removal of this vagrancy charge from our Criminal Code. When this bill goes to committee I intend to ask the experts what their intentions are exactly and what they hope to gain by the removal of this clause. As I say, I expect to hear more about this in committee.

I should also like a little further information in committee concerning the important changes proposed in clauses 33 and 34 of this bill. When I mention these two clauses I have this in mind: There was a time when certain offences could be heard only by a judge of the High Court—the Supreme Court of Ontario—with a jury. Those offences were enumerated in the Criminal Code. Now I understand that as a result of some of these proposed amendments even a humble magistrate, who is now a provincial judge, will be able to hear any of the criminal cases with the exception of murder. The option that did not exist at one time by which an accused could choose the type of trial he was going to get will exist henceforth and one will be able to say, "I don't want a jury, I want a single judge," or, "I want a provincial judge."

I think that with all these amendments we are getting away from capital punishment. That is the next step, and I think the reasoning will be quite simply this: if an ordinary magistrate, who is now regarded as a provincial judge, can hear the most serious criminal offences with the exception of capital murder, then there is no need for capital punishment. To illustrate the point I am making, but without necessarily agreeing with everything in it, I should like to quote briefly from a recent article by Philip Wagner in the Monterey *Peninsula Herald* of California. The article refers to the "heavy emphasis that is placed in these days of rising violence and crime on what the philosopher Sidney Hook calls 'the human and civil rights of criminals and of those accused of crime.' "

• (1440)

My youngest daughter, who is residing in Monterey, thought I would be interested in this article and sent it to me. I received it only yesterday and it is most timely because I feel that our authorities are losing track of the fact that the laws are meant to protect the public and not so much the criminal. These changes are directed at protecting the criminal. With your permission, I shall quote this article from the Monterey *Peninsula Herald* entitled "Do Victims Have Rights?" It is not lengthy. It reads:

> Professor Hook in a recent study goes so far as to describe this phenomenon as a "pre-occupation" with such rights at the expense of the rights of those wretches dead or alive who are the victims.
>
> This would not be quite so true when the victim is a candidate for the presidency, even such a scapegoat of liberals as Governor Wallace. Governor Wallace's rights as a victim will presumably not be overlooked, as those of many a lesser victim have been. But as a general proposition it is nevertheless true, as Professor Hook says, that the rights of victims tend to be lost in the shuffle as the rights of the accused continue to be elaborated.
>
> He cites a few examples that some may recall. One is the case of a man jailed for the death of 12 persons who was freed from jail and the case against him dismissed "because the prosecution's only evidence against him was a voluntary confession to the police who had failed to inform him of his rights."

I am sure it will please Senator Sullivan to know that there are people who criticize the present administration of the law, especially criminal law. Another example cited by Professor Hook was:

> —of the man whose speeding car was stopped by a policeman who, without a search warrant, forced him to open his trunk and found that it contained the

corpses of a woman and two children, and who subsequently "walks out of court scot-free because the evidence is ruled inadmissible."

This is amazing and this is the stage that our administration of the law has reached. As a lawyer who has been practising for 40 years, I am appalled at these technical points which are raised all the time and which sometimes result in letting a murderer go scot-free. This is just like a man who is charged with killing someone while operating a motor vehicle. After the Crown prosecutor has called all his witnesses, the judge asks him whether he has finished his case. The prosecutor answers yes, and the accused's counsel jumps to his feet and asks for a dismissal. The judge asks, "On what grounds?" and defence counsel replies: "My learned friend has failed to prove that the accused was the driver of the car." This is ridiculous, but it happens every day. Surely a presiding judge could easily say to the Crown prosecutor before he closes his case: "I point out to you that one of the main ingredients of the charge has not been proven. Have you any witnesses to show that this man was the driver of the car when the victim was killed?" What would be wrong with that? This simply is not done. I am appalled at this kind of administration.

Mr. Wagner's article continues:

> Professor Hook, reflecting on the outrages committed in the name of protecting the accused, goes out on a limb. Considering that crime has become a mass phenomenon and a matter of general despair, he says, "I am prepared to weaken the guarantees and privileges to which I am entitled as a potential criminal, or as a defendant, in order to strengthen my rights and safeguards as a potential victim. Purely on the basis of probabilities, I am convinced that I run a greater danger of suffering disaster as a potential victim than as a potential criminal or defendant."
>
> It is a good point. Like Professor Hook, I am a firm believer in the rule that a man is to be presumed innocent until proved guilty.

This is another cliché we hear all the time.

> Also like Professor Hook, I believe that even a good rule can be carried to the point of absurdity. As a Dickens character once said, "If the law says that, the law is an ass."
>
> When a group of thoroughly identified hijackers seizes a plane with the whole world looking on, the presumption of their innocence becomes severely strained. That at least was the belief of the Israeli recently when they shot the hijackers point blank and without due process of law. Sometimes due process gets in the way of justice.
>
> And when in full view of a crowd a man reaches over someone's shoulder and is photographed in the act as he empties a revolver into the guts of a presidential candidate the presumption of innocence becomes a priggish farce.

Honourable senators, I do not feel I have strayed from my main subject. I had to explain this.

Hon. Mr. McElman: Did you give the bona fides of Professor Hook? Who is he?

Hon. Mr. Choquette: I do not know who he is.

[Hon. Mr. Choquette.]

Hon. Mr. Croll: He is a well-known social scientist from New York, and he has a fine reputation as a right winger.

Hon. Mr. Phillips: You are a friend of Professor Hook?

Hon. Mr. Choquette: You can take it for what it is worth. If you wish, you can say: "I do not like Hook unless Senator Choquette tells me he is a good man." I am merely quoting him and saying that I agree with him, whether he is called a "crook" or a "Hook".

Hon. Mr. McElman: I was not criticizing you. I was merely endeavouring to determine his credentials.

Hon. Mr. Choquette: I do not happen to have them. This is a clipping which my daughter sent me from a small newspaper called the Monterey *Peninsula Herald.*

Honourable senators, having said what I have, I am quite prepared to allow the bill to go to committee where any required explanations can be given.

Hon. Senators: Hear, hear.

Hon. John J. Connolly: Honourable senators, I do not intend to engage in a general discussion of this bill. I propose to restrict myself to clause 4, which deals with the crime of contempt of court. However, before I do this I would be negligent if I did not say to the sponsor of this bill, Senator Laird, that I admire the way in which he explained it. I am rather taken with the fact that as a very distinguished lawyer he avoided technical jargon and legalese which might not only confuse a layman, but lawyers as well.

Hon. Mr. Sullivan: And also doctors.

Hon. Mr. Connolly (Ottawa West): Yes, and doctors as well.

I support Senator Choquette's point regarding the recognition of technicalities which interfere and even defeat the purpose of the law. This is a matter of growing concern to judges and lawyers. The warning he has given in this respect is very salutary because if technicalities, procedural problems and matters of that nature really interfere with the substance and spirit of the law and the administration of justice, it is incumbent upon all who can do something about it to give serious consideration to the problem. We are indebted to Senator Choquette for bringing that to our attention.

• (1450)

As Senator Laird said last evening, clause 4 of this bill deals with the problem of contempt of court. As he also said, if the contempt is not committed in the face of the court there is an appeal, not only from the sentence which might be imposed but from the conviction. Under the present law, however, when the contempt is committed in the face of the court, the appeal is against the sentence only, there being none against the conviction. Clause 4 proposes to change this law to provide that when the contempt is committed in the face of the court the person convicted by the presiding judge, or the judges if it is in a court of appeal, has the right to appeal the conviction. This is a new right which is imposed upon a person charged.

Hon. Mr. Flynn: Not imposed, you mean granted.

Hon. Mr. Connolly (Ottawa West): It is granted, yes; it is a new right.

In March 1952, an article by Mr. Justice McRuer of the Supreme Court of Ontario appeared in Volume XXX of the *Canadian Bar Review*. It dealt with the problem of criminal contempt of court procedure, which he described as a protection to the right of the individual. At page 227 of that article he gives some examples of contempt committed in the face of the court. May I cite from his article:

> Contempts committed in the face of the court include demonstrations in the court room by shouting, noisy behaviour, applauding a verdict of a jury or a decision of a judge; refusing to give evidence when properly subpoenaed as a witness or to answer relevant questions; refusing to leave the court room when ordered to do so or to obey the orders of the court or its officers with respect to a trial which is in progress, whether civil or criminal, or using abusive or disrespectful language to a judge presiding at the trial.

That is a fairly good list of typical examples of contempt committed in the face of the court. The purpose of the law of contempt, of course, may be reduced to two items or captions. In the first instance in my view the purpose of the law of contempt is to reinforce the authority of the court. Here again may I quote from the McRuer article, in which he cites one of the great authorities on contempt of court, Oswald's *Contempt of Court*, 3rd edition. Oswald says:

> A Court of Justice without power to vindicate its own dignity, to enforce obedience to its mandates, to protect its officers, or to shield those who are entrusted to its care, would be an anomaly which could not be permitted to exist in any civilized community.

Perhaps I may interject here and say that in the United Kingdom it has been steadfastly refused, to date at least, to allow the type of appeal proposed in this clause.

The second purpose of including the law of contempt of court in our Criminal Code is for the protection of the individual. In this respect Mr. Justice McRuer states at page 227:

> I say with emphasis that the law of contempt of court does not exist for the protection of judges but for the protection of the individual right of every citizen to an independent administration of justice free from influence or intimidation by improper conduct of any sort.

I hasten to say that the law of contempt does not put the courts above criticism, nor should it.

Again I refer to a citation in the McRuer article from a dictum of a very eminent English jurist, Lord Russell of Killowen, in the case of *Regina v. Gray*, the citation for which is 1900, 2 Queen's Bench 36:

> Lord Russell of Killowen emphasized that judges and courts are alike open to criticism and, if reasonable arguments or expostulation is offered against any judicial act as contrary to law or the public good, no court could or would treat it as contempt of court.

Nonetheless, the power to commit for contempt in the face of the court is a sanction which is important for the administration of justice. It is in support of the law, in support of order and in support of the court's authority.

At page 236 Mr. Justice McRuer quotes Lord Morris in *McLeod v. St. Aubyn*, (1899) Appeal Cases 549, at page 561 where Lord Morris stated:

> The power summarily to commit for contempt of court is considered necessary for the proper administration of justice. It is not to be used for the vindication of the judge as a person. . . . Committal for contempt of Court is a weapon to be used sparingly, and always with reference to the interests of the administration of justice.

It is true, of course, that some of the sentences which courts or judges mete out when contempt has been committed are severe. These sentences under the existing law can be appealed. There have also been times, and I think the courts would say this, when judges may have been quick to convict in our country. The American practice, I am informed, certainly in some areas of the law is somewhat different. If the contempt is committed in the face of the court, the judge—in the federal courts, certainly—has the power to cite for contempt. But he has not the power to find the person guilty of contempt at that time or to sentence him. That must be done by another court. In other words, the trial on a question of contempt is not for the judge before whom the contempt was committed. This is somewhat similar, I suppose, to the matter of laying a charge, which is normally a police function, and the charge has then to be justified.

• (1500)

There are some people who would say that to follow a practice of that kind in this country would really make a judge a litigant in the contempt proceedings.

The problem of appeals generally was also discussed by Mr. Justice McRuer. If I may, I should like to read a brief passage from his article which I think points up the problem, which is really one for any law enforcement authority. On page 242 Mr. Justice McRuer says:

> Although the principle that there should be a right of appeal—

Both on the conviction and on the sentence, I am sure he means.

> —is hard to controvert, to define a right of appeal that would not confound the administration of justice is difficult. It is simple to state that there should be a right of appeal in a case where a newspaper has published comment during a trial; it is another thing to define a right applicable to those cases where a contempt is committed in the face of the court, for example, a witness refusing to answer proper questions put to him. Under our law he may be at once committed to goal and each witness may be made to realize that prompt action will be taken for any failure to answer questions put to him. As a result I have known only one case where a witness has refused to give evidence. If a right of appeal did exist from such an order, is the case to be stopped until the appeal is heard? On the other hand, there is a distinct interference with the administration of justice if the case proceeds in the absence of the evidence the witness is ordered to give. That is only one example, but such examples ought not to deter those interested in the development of the administration of justice from

working out some means of appeal so as to cover at least those cases where the contempt is not one committed in the face of the court. If such a right of appeal existed—

He is obviously talking about a law earlier than the law which we now have.

—I think the probable result would be a purification of the administration of justice and a stricter enforcement of the law to preserve the rights of the parties before the court.

He concludes this section by saying:

Good judges exercising an arbitrary authority are more likely to go to extremes in the exercise of caution when their judgments are not subject to review by a court of appeal than when they are.

Honourable senators, I am informed that no attorney general has objected to the proposed amendment in clause 4.

Hon. Mr. Flynn: Was this submitted to all attorneys general?

Hon. Mr. Connolly (Ottawa West): I do not know. Not being a member of the government, I simply cannot answer that question.

Hon. Mr. Flynn: Your statement would be relevant only if it had.

Hon. Mr. Connolly (Ottawa West): I understand that it has not been objected to by the attorneys general. Perhaps the statement stands on its own feet. I understand, however, that the Canadian Bar Association, at its last annual meeting, passed a resolution in favour of the proposed change. I also understand that the Bar of the Province of Quebec has taken a stand in support of the proposition contained in clause 4. Perhaps I might be permitted to read from an article by Guy Bourdon in the *Montréal-Matin* dated May 25, 1972:

[*Translation*]

Montréal-Matin, Thursday, May 25, 1972:

On July 16, 1971, the President of the Bar addressed to the federal Minister of Justice a resolution of the General Council of the Quebec Bar recommending that the Criminal Code be so amended that any person convicted of contempt of court could appeal against both the verdict and the penalty prescribed.

[*English*]

Hon. Mr. Flynn: Was it after or before the sale of the newspaper? I am sure my honourable friend understands that the *Montréal-Matin* belonged to the Union Nationale. That makes a difference in the value of the judgment.

Hon. Mr. Connolly (Ottawa West): In any event, the Leader of the Opposition may not have understood my French pronunciation: The editorial continues:

[*Translation*]

The Quebec Bar claims that it is inacceptable for a judge bringing forward an accusation of contempt of court to grant the accused no time in which to plead his case and allow himself no period of consideration before ruling whether the accused is guilty or not.

[Hon. Mr. Connolly (Ottawa West).]

[*English*]

Honourable senators, I do not know whether, in the face of the resolutions from the bar associations, and perhaps in the absence of consultation with attorneys general, there have been any consultation with any of the judges of the superior courts of the provinces with respect to this amendment. Certainly one thing is clear. It is that the onus of maintaining discipline in the courts, superior as well as inferior—because all courts are covered—will be a very heavy one for judges. I would venture to say that in the light of what has happened, particularly in the neighbouring Province of Quebec in recent years, and even in recent months and perhaps weeks, the concern of all of us for the authority of the courts, for maintaining decorum, and for the due administration of justice, is something that we cannot take lightly.

There may be other ways of doing it, other than the way proposed. I venture to say that in the light of the comment that is available from the bar associations and others, and in view of this being government policy, this amendment will probably pass. Perhaps it is proper that it should pass. However, I raise the point only because I think that we should not be under the misapprehension that upon passing this amendment we may have finished with the problem. Some time in the future there may be problems existing in the courts—not only in the courts of Quebec, where perhaps problems have been more noticeable lately, but also in the courts of other provinces where organized crime might come into the picture and might disrupt the proceedings of the courts. I think that cases such as that might arise in which the Minister of Justice and Parliament will have to take a serious second look at this whole problem of the law surrounding contempt of court.

• (1510)

We in this chamber have not had any example in recent years of contempt of the Senate. However, there have been examples of contempt in the face of the other place. A few years ago they missed by a hair what would have been mortal results from the throwing of a bomb, as honourable senators know. This type of thing happening in Parliament is repugnant to the sense of decency and decorum of all Canadians, I am sure, except the lunatic fringe. If it starts to happen in the courts, then the administration of justice from that moment begins to go on the skids. I feel the Senate should be alert to prevent this type of thing.

Hon. Jacques Flynn: Honourable senators, I do not expect to keep you very long on this bill, though it is a very important one. It is an omnibus bill concerning criminal matters. It is quite difficult, I feel, for any legislative body, by only one vote, to approve in principle a bill which contains 20 or more principles. In any event, as has been suggested by Senator Choquette, perhaps the rules of both Houses of Parliament should be scrutinized to determine whether, in dealing with a bill of this kind—these omnibus bills—we should not be allowed to vote separately on each principle involved, or at least be able to group some of the subject matters involved in this type of bill. However, it is not too serious a problem at this time, as far as I am concerned. I think it will be sufficient

for this bill to be referred to committee, and thoroughly examined there.

Before proceeding to the main problem with which I want to deal—that contained in the portion of the bill which has already been discussed by Senator Connolly (Ottawa West)—I should like to say a few words concerning the problem of hijacking. The pilots might have a case for asking for the death penalty for such offenders. Some four years ago I voted in favour of the abolition of capital punishment except in the case of the murder of a policeman. The five-year trial period comes to an end later this year. I have not changed my mind on that question, but it seems to me we are faced with a problem in connection with hijackers in that it is perfectly legal to have a sharpshooter kill a hijacker who is in the process of committing the crime, whereas it would not be proper for the state to execute that same hijacker if he succeeds in the hijacking but is later apprehended. In any case, this problem can be discussed in committee along with the question of the murder of a police officer. We still have the death penalty for the murder of a police officer, although for all practical purposes this penalty has been abolished in Canada for over eight years. I do not believe there have been any executions during that period in this country.

The abolition of capital punishment started without any legislation. I am not accusing the present government of initiating that practice, because I believe it was the government of which I was a member for a short period that started it. I am profoundly troubled when I start to think about the type of penalty that should be imposed on cold-blooded murderers.

I want to turn now to the problem of contempt of court. I think it is quite obvious that this offence should continue to be considered as such, otherwise the authority of the court would be undermined. It is one of the basic principles of a society such as ours that the courts be able to operate in an independent way. Because of the circumstances in which these amendments come to us I would suggest that this bill is ill-timed. As it reads now I would have to say that the bill is a rather superficial and incomplete attempt at a solution to this problem. It is deficient and invalid.

As has been explained, the present situation is that contempt of court not in the face of the court is subject to appeal not only from the sentence but also from the conviction itself. The purpose of clause 4 of this bill is to provide for an appeal from a conviction for contempt of court in the face of the court. That is in principle very laudable and commendable. It is easy to quote the opinion given by the Bar of Quebec a year ago and say, "Well, that's just what they wanted." In fact, it may not be as acceptable as it seems.

At first glance, it appears normal that you should have the right of appeal from a conviction of contempt in the face of the court, but you have to go a little further than that. You have to examine the circumstances that presently exist in certain parts of Canada to determine whether we should deal with this problem at this time and, if we are to deal with this problem now, whether we are going about it in the proper way.

I do not know if all honourable senators realize that recently in the Province of Quebec contempt of court has become a political tool for many people. They are using this provision of the law for political purposes, and it is very easy for these people to abuse the right of appeal already provided. This bill proposes to extend that right of appeal to cases where the contempt is committed in the face of the court, and obviously this too could be abused to achieve political objectives. I am not referring to any case that is before the courts at this time, but honourable senators know or will remember statements made outside of the courts in which people have treated the judiciary in a way that is totally unacceptable if we are to maintain a society such as ours. Even in the kind of society that these people appear to be striving to bring about, whether it is a Marxist or a democratic socialist society, they would not be allowed to do what they are doing, and they would not be allowed to say what they are saying about the courts and the judges.

• (1520)

With this amendment coming to us as it does at this time I am almost led to conclude that Parliament is in fact siding with those who abuse our judicial system, with those union leaders who are presently trying to destroy that system. It is difficult to interpret it otherwise. These people have been using the right of appeal and the possibilities of serving a sentence for the crime of contempt of court in order to pose as victims of the system they say they want to destroy. Parliament is here saying, "Perhaps we are treating you too roughly and we should give you the right of appeal, not only from the sentence but also from the decision that contempt has taken place in the presence of the court."

I am quite sure that men like Michel Chartrand, Louis Laberge, or others whom I will not name because their affronts to the system may have been less obvious than those of Mr. Chartrand and Mr. Laberge, must rejoice at the decision of the other place in accepting this principle to give a right to appeal the decision, not only the sentence, in the case of contempt of court in the face of the court. I am not prepared to think that in these troubled times we should worry about people like Michel Chartrand or Louis Laberge. That kind of citizen is the last I would want to worry about, except to see to it that their attempts at injuring our judicial system are kept under control.

I further say that the amendment is ill-conceived. What we are trying to do here is to prevent abuse of the power given to a judge, or to a court, to sentence someone who is guilty of contempt of the court in the face of the court. I can understand that a judge may sometimes be irritated and may act too quickly. That is the main problem. I think that what Senator Connolly quoted from the resolution of the Bar of Quebec is very much to the point, that a judge should take time before he finds someone in contempt for something he has done in the presence of the court. I agree with this principle. But that does not mean the problem can be solved merely by giving a right of appeal from the decision as well as the sentence.

I suggest, honourable senators, we could find the beginning of a solution in what was done in the Code of Civil Procedure of the Province of Quebec—which is only ten years old—when they redrafted the chapter dealing with the power to punish for contempt of court. You may be

interested in the general definition of contempt of the court, which is shorter than that given by Senator Connolly. Article 50 of the Code of Civil Procedure of the Province of Quebec says:

> Anyone is guilty of contempt of court who disobeys any process or order of the court or of a judge thereof, or who acts in such a way as to interfere with the orderly administration of justice, or to impair the authority or dignity of the court.

It goes on to say:

> In particular, any officer of justice who fails to do his duty—

I do not think that is relevant for the purpose I have in mind or that we have to deal with today.

Another article I should like to quote, which I think was an innovation that should have guided us in dealing with this problem under the Criminal Code, is Article 52 of the Code of Civil Procedure, which reads:

> Anyone who is guilty of contempt of court in the presence of the judge in the exercise of his functions may be condemned at once, provided that he has been called upon to justify his behaviour.

If I remember correctly, what Senator Connolly quoted from the recommendations of the Quebec Bar was more in line with this idea, that in the case of contempt of court before the court a judge should not make a decision without giving the accused party the right to explain his conduct. The judge would therefore have time to reflect, at least during the period in which he heard the person accused of contempt of court, which I think is the main thing.

As it is now, there is an appeal only from the sentence for contempt of court before the court. Now let us consider what kind of evidence the appeal court will be invited to consider and decide upon if an appeal from the conviction is added. Contempt of court arising from mere refusal to answer a question, as in a recent case, is very technical. However, with contempt of court when a person sticks his tongue out at the judge, or laughs at him, or grumbles, or creates some kind of a disturbance—as is presently being done in Quebec, and has been done in the last few trials of labour leaders and professional malcontents—it is not easy to record or have a transcript of what actually happened.

What will guide the appeal court in cases like that? Where will they find justification for the decision of the judge who has come to the conclusion that there was contempt of court displayed in his presence? I do not know. Will the judge have to go before the appeal court and tell them, "I felt that the court was being offended by the way I was treated"? Will the court of appeal then listen to the other party, who will say, "I didn't mean that," and then decide that the judge was wrong in having felt he was being offended? This is the effect of the amendment as drafted.

• (1530)

At least, if we had provided, before allowing an appeal from the conviction, a rule like the one I quoted from section 52 of the Civil Code of Procedure of Quebec, we could have a record showing at least the contentions of both sides on the point of contempt, and how the judge arrived at the decision that there had in fact been contempt of court shown.

Again I am not satisfied at all with the way in which this amendment is presented to us. It is very simple, everybody is in agreement that there should or could be an appeal in all important cases like that of being found in contempt of the court, even in the presence of the court. That is easy to support. Anybody will agree we should correct the law. But one must go a little further and find out what the consequences might be, and how it will operate.

If the intention is only to help those who presently abuse the existing possibility of appeal, and who would certainly abuse this additional possibility of appeal, then I must say that I am not at all in favour. But if we want to permit the judiciary to operate in a normal way, if we want to insure against a situation in which a judge might lose his temper and be too hard, that is a different matter. Very often when a judge loses his temper it is because someone has provoked him to the point where that person should be found in contempt of court. I know that I could make a judge lose his temper very easily. I have succeeded with some of you here—but that is not the same problem. It is easy to be found in contempt of court for the way I would have acted, but I defy you to be able to put that in such a way that the court of appeal would be able to pass judgment on whether there was sufficient evidence for the judge to find me in contempt. Therefore, we have to be very careful.

Hon. Mr. Martin: I thought of that several times, but gave up.

Hon. Mr. Flynn: I was hoping the Leader of the Government would say at least a word, and justify my statement. That is why I kept repeating myself—to cause him to jump at the bait. He takes a very long time usually; today I have been more successful than normally.

Honourable senators, as far as this problem of contempt of court is concerned, I hope that in committee we will take it very seriously. Many members of the judiciary in Quebec are worried about this amendment. I am not too sure that the Quebec Bar would be willing to support this amendment as it is. The statement quoted by Senator Connolly does not necessarily support the amendment as it is, but something else, something along the lines of what I have suggested.

This is a very important problem, more important than appears on the surface. The solution may seem very simple, but if we accept this amendment as the answer we will find it to be unsatisfactory. Also it will not be as easy to go back. When a right is granted, it is not easy to diminish or decrease it. Before making this decision we should in committee invite all people who have some experience with this sort of problem, especially as it manifests itself in Quebec. We could ask those in other provinces eventually, but we must consider the situation in Quebec as it is now. The same situation might some day arise in another province. I hope that we will look at this very seriously before we accept the amendment as drafted.

Honourable senators, we have a constitutional duty to be careful in these circumstances. On previous occasions we have not had that opportunity. I know that the government is not pressed by electoral or other reasons on this bill, so it can let the Senate assume its full responsibility, and I am sure all of us wish to do that.

Hon. Daniel A. Lang: Honourable senators, before dealing with Bill C-2 I should like to take this opportunity, which I have been unable to take advantage of before due to my absence abroad for several weeks, to congratulate the Prime Minister of Canada—and I am sure that in so doing no one is going to accuse me of perpetrating a repetitive act—on appointing, during the time I was away, nine new senators, whose strength we sorely needed, and particularly for appointing two members of the fair sex to brighten up our deliberations and our physical surroundings.

I know, either personally or by reputation, all of those summoned here. I know them in both capacities, in one or other, for their contribution to public life before coming here. I know that in this chamber they will continue to make such a contribution, and that in so doing they will contribute to the greater credit of the Senate. I welcome them en masse.

Hon. Senators: Hear, hear.

Hon. Mr. Lang: Honourable senators, our debate on Bill C-2 has been most useful. It has pointed out that we are really dealing here—although in an omnibus bill, a sort of potpourri of amendments—with some very significant changes in the criminal law. Because this bill comes to us as an omnibus bill, dealing with a variety of subject matters, it is very difficult to give it adequate treatment on second reading, when we have to debate the acceptance or otherwise of principle.

I find that some clauses of this bill depend on one very fundamental principle; another clause depends on a completely different and unrelated principle; and some depend on no particular principle at all but deal with pragmatic considerations, and practical problems concerning procedure and administration. Some of the provisions philosophically are rather ameliorating, compassionate provisions. Others, on the contrary, are more restrictive and penal. So, no matter how we deal with this bill, no matter what section we deal with, we will find ourselves in an entirely different area of debate.

For that reason, I hesitate, like many others, to enter into this debate on second reading. I have risen only on becoming particularly convinced that, notwithstanding the ready acceptance this bill had in the other place, there are serious and significant considerations and we must take every opportunity we can to deal with them. For all practical purposes we can deal with them adequately only in committee.

• (1540)

I say these changes are significant. They are significant even though on the face of them they appear to be purely procedural. Perhaps I do not need to remind my colleagues of a remark made by one of the English law lords many years ago in which he said that the substance of the law is found in the interstices of its procedure. That fact is clearly demonstrated in the type of bill we have before us today.

I share with Senator Choquette and others their general concern over the use of omnibus bills. I can understand the administrative expediency such bills afford, but at the same time they do put any sort of legislative body at a very serious disadvantage.

At the outset of my remarks I said that I wanted to deal briefly with this bill. I think I can do so because of the fact that in introducing it on second reading Senator Laird outlined the more salient features involved. Moreover, he did so most ably and comprehensively. To reiterate those provisions he has dealt with, therefore, would serve little purpose. However, I should like to place the bill in a broader framework as I see it.

Honourable senators will recall that our Criminal Code was a codification of English common law-criminal law. When the Code was formulated it very much reflected a social order of the mid-19th century in the United Kingdom. I am sure we all recognize that our world today is as far different from that world as that world was different from the age of Charlemagne in Europe.

We in fact codified an inheritance of English common law, and in so doing we stamped upon it a rigidity of form, the lack of which is the chief advantage in the common law system and probably its highest commendation. In codifying we deliberately chose exactitude over adaptability and elasticity. As a result, we have a criminal law system that of necessity chronically lags behind the evolution of our contemporary social problems, our contemporary philosophical thinking, and our contemporary mores. This lag is necessitated by the fact that reform or amendment depends on legislative action, and legislative action only comes as pressures build up forcing its emanation.

Therefore, I congratulate this government, and the previous government, on setting out in 1968 on a very broad program of reform in our criminal law. In fact, I think the program first appeared in the House of Commons at a time when the present Prime Minister was Minister of Justice. It brings to mind the words of W. S. Gilbert:

> My object all sublime
>
> I shall achieve in time—
>
> To let the punishment to fit the crime.

As in with the Mikado, the object is being achieved "in time".

In the course of this program we have seen the Criminal Law Amendment Act, 1968-69—a tremendous opus in the field of criminal law—the Bail Reform Act, and amendments to the Canada Evidence Act. We now have this bill. Also in this program of reform is one bill about which I had certain reservations and upon which I shall desist from comment. I refer to the hate literature enactment about which this chamber has heard my views on not a few occasions. With that single reservation I think I can say that by and large this package of criminal law reform has been one of the most necessary legislative programs that could possibly have been undertaken at this time in our history.

Coming specifically to this bill as part of that program I wish to say at once that I can assure all senators they will find nothing in it of a doctrinaire nature, or carrying any

of the undercurrents of a doctrinaire philosophy. I make that assurance because, having seen such phenomena in other legislation recently, some of us have started looking for that symptom in legislation as a matter of course. But this bill is straightforward. Perhaps I should say it is a lawyer's bill, as the erudite discussion which preceded my remarks points up.

The bill deals with the legal problems of lawyers, the problems of those accused—both of the innocent accused and otherwise—and the problems of prosecutors. It does these things in a realistic fashion.

In the light of those remarks I commend the bill to you. I further commend it to you because, although it is not punitive legislation, it does not neglect the concern for the social law and order which is so necessary for the preservation of our society. To my way of thinking, the bill strikes a very good balance between these two competing forces.

As senators we are quite aware of the push towards law and order in our society and also, on the other hand, of the humane consideration for those who become enmeshed in the law, both innocent and transgressor alike. This bill strikes a good balance between those two philosophical poles.

This afternoon we have heard two very important aspects mentioned. We have heard an excellent speech on the question of contempt before the court, and we have heard of the necessity for the hijacking provisions, which I think is self-evident. There would be no debate about that. How adequate or inadequate the provisions may be is the only issue we would encounter.

The right of appeal from a conviction for contempt before the court is a most important matter to consider, and one which I think would take up much of our time in committee. The logic of no appeal from conviction was almost overpowering as I listened to Senator Flynn and Senator Connolly. Before we pass that amendment, however, we would want to make sure that we have the correct interpretation of the views of the various bar associations across Canada, and we should seek whatever other expert opinion might be available to us.

• (1550)

Other matters in this bill which have been touched on only lightly are important too, and I do not think we should underestimate them and their consequences. Here I have particularly in mind the procedural changes for appeals, and sentencing and discharging, some of which concepts are quite novel in the Code.

Finally, I should say that I find in this bill something which tickles my fancy as much as I am sure it tickles yours, and here I refer to the effects of the status of women movement, and the provision which would draw women into the net as well as men in connection with the offence of soliciting for the purposes of prostitution. By affinity it reminds me of a long time ago when I was told, as I am sure many other lawyers have been told, that I was a member of the second oldest profession in the world, and that my profession had much in common with the oldest. It was pointed out that any distinction between the two was of a semantic nature, inasmuch as one served its clients by laying for a fee while the other served its clients by lying for a fee.

Hon. Mr. Forsey: And you are sometimes called solicitors.

Hon. Mr. Lang: With those remarks I commend this bill most favourably for second reading.

Hon. Hartland de M. Molson: Honourable senators, in making some brief remarks to this bill I would say that I take the full meaning of Senator Lang's remarks when he says that this is a lawyer's bill. I appreciate that. I have never claimed, and I do not claim now, to be knowledgeable in the law. However, there is one aspect which has been touched on only very lightly—I think it was mentioned by the sponsor, Senator Laird, and again by Senator Choquette—with which I feel I must record my disagreement.

While this debate was proceeding I could not help but think back about six or seven years to when I was sitting in the lobby with a very distinguished senator who was called to this place at about the same time as I was, in 1955. Somehow we got to discussing the subject of capital punishment, the abolition of which was then being considered. I remember well saying to him that while I understood the reasoning put forward by the abolitionists there was one particular aspect of the crime of murder which I felt could not effectively be dealt with other than by imposing capital punishment, and that was where in the course of a murder there was an element of extreme, horrible brutality. At that time I referred to a crime about which we had been reading in the newspapers not long before. An 80-year old woman had had her farmhouse broken into by some young thugs who had proceeded to torture this little—and she was little—old lady for some hours until they killed her, in the course of extracting $75 or some such sum from her. To me that type of crime does not fit the general pattern where compassion and the trend to the more humane approach to life really fits.

The law was subsequently amended so that capital punishment was imposed only in cases where peace officers or prison guards were murdered. I might say in passing that it has been an absolute mystery to me how in their good judgment the members of our last three governments, including my worthy friend, Senator Flynn, who mentioned this matter a moment ago—after all the time and study spent and the referenda that were held on the question of capital punishment, and the decision having been reached that that category of crime should be punished by death—have seen fit to take it upon themselves to decide the law should not apply. I find this difficult to understand because I think the message came through terribly clearly when the opinion of the people was sought and when Parliament acted with this resultant decision. However, that is in passing, and not really apropos of this bill.

What I am concerned about, so far as this bill is concerned, is that corporal punishment is being eliminated. I am quite well aware that we have passed from the dark ages—we have passed from hanging, drawing and quartering, from hanging for sheep stealing, and from debtors' prisons—and are supposed to be living in an enlightened age. But I sometimes wonder how enlightened we are when I read of some of the violent acts occurring daily on

our streets; when I read that people fear to go on the streets at night. Is this progress? I do not know. Is this what the compassionate trend has done for us? I am aware that it is a situation which exists in the world at large.

We have demonstrated against violence in Vietnam, and other violence of that type. Yet in many cities all across this continent, and indeed throughout a great part of the world, it is now dangerous for people to go out at night. We have violence here at home. We should be able to cope with it and we have the facilities for doing so, but I do not think we are in fact doing so.

I wonder how many members of this chamber were thrashed when they were young. I am not, of course, referring to the lady members of this chamber. I do not mean just a slapping of the hand; I mean a good whomping on the backside. I should think probably quite a high proportion of the members of this house have had that experience. I know I have, and I remember it very well. I certainly remember it far better than the times I was kept in, had privileges reduced, forced to write a thousand lines, and suffered other punishments of that type. I should like to ask those members of this house who remember being beaten: can you look back and say it has embittered you, or made you feel hostile to society? If so, it is not apparent to me, but perhaps I cannot judge. I really do not think it ever hurt anybody unduly to suffer some physical punishment.

Hon. Mr. Flynn: It didn't really hurt the feelings.

Hon. Mr. Molson: No, I don't think it hurt the feelings you are thinking about.

Many of us in the course of our lives have run into the type of person who can best be described as a bully—not necessarily a tough person but a bully, a person who, if he has a weapon or the advantage of being with two or three other people, will use violence, brutality and cruelty. They are very difficult people with whom to deal. It is said that it does no good at all to impose any form of corporal punishment. I either heard or read not long ago that by inflicting corporal punishment on this type of individual you only engender more hatred for society. When I think of those young men who tortured and killed an 80-year old woman, I wonder how much more hatred they could have. I do not believe that is the result. Fortunately, this type of person is an exception, but I feel that the only lesson the bully understands, and the one which frightens him, is a good old-fashioned beating.

• (1600)

We have all known cases where people have not been influenced by correctional efforts—efforts to straighten them out and put them on the right path. There comes a time when there is only one lesson which seems to get across. I do not mean brutality, but a good old-fashioned beating. They will remember their beating, as I remember mine. I feel this is the best weapon we can use against this sort of person who is becoming more common every day. Motorcycle gangs who use chains are not gentle people. It is all very well to slap them on the wrist and send them to prison for three months because they have caused a disturbance. However, they understand one thing—what they like to give out they do not like to receive.

As far as this portion of the bill is concerned, I must oppose it.

Hon. Ernest C. Manning: Honourable senators, I do not wish to prolong this debate or detract by repetition from the constructive arguments which have been advanced. However, there are a couple of clauses in the bill on which I should like to comment briefly in the hope that they will receive further consideration by those honourable senators who are members of the committee that will examine the bill in detail.

One is the provision relating to offences involving motor vehicles. In Canada, a person can be charged under municipal traffic by-laws, under provincial statutes, or under the provisions in the Criminal Code. Admittedly, this is not one of the major parts of the bill. However, it does affect many people because many people are involved in motor vehicle offences. Surely it is desirable that there be some uniformity and co-ordination between the various levels of government. Perhaps the committee could determine whether any effort has been made by federal, provincial and municipal authorities to arrive at uniformity and co-ordination of the provisions of statutes relating to traffic offences.

I would also like to comment on the clauses relating to hijacking. I have had an opportunity in the last few years to be associated with a commercial airline and I am aware of the concern that management of airline companies have because of the increasing frequency of this offence. I have talked to pilots and aircrews, as well as to passengers who have had the misfortune of being involved in a hijacking. It is a shattering experience. I can well understand the feeling of the Pilots' Association. Captains who are responsible for perhaps 150 lives and whose natural inclination is to thwart a hijacking if possible, on the other hand are fearful lest an error of judgment should result in the death of a hundred or more people. I fully support the conclusions of the Pilots' Association that this offence is one in which the death penalty should properly be applied.

It may be that in today's society this would not be acceptable, but I hope the committee will consider the imposition of the death penalty at least in cases where actual death or serious injury results to the crew or passengers. If we went that far it would meet the point raised last evening that perhaps the death penalty for hijacking itself would cause a hijacker to be even more reckless than he otherwise might be. There could be a distinction drawn between a person who hijacks an airplane for a free trip to Cuba and a person who, in the process of hijacking, causes death to a crew member or a passenger. I feel the latter case should call for the death penalty. This would be a significant deterrent. I would like to see the committee recommend such a provision.

Another point which has been brought to my attention is that the news media describe in detail the steps taken by a hijacker and point out where he went wrong, and why he did not succeed. When you are dealing with people who are mentally unbalanced in the first place, and the news media indicate that a hijacker would have succeeded if he had done this instead of that, such people may decide they can succeed because they will not make the same mistake. Perhaps there should be a statutory provi-

sion to restrain the publication of the details of hijacking procedures. It certainly serves no public interest to have all these details published, and it could in some cases invite repetition of the offence by others who are so inclined.

• (1610)

Honourable senators, for a moment or two more I would like to comment in a broader sense on a matter that is relevant to amendments to the criminal law, which have been rather numerous in recent years. In some respects this touches on the points referred to a few moments ago by Senator Molson. In criminal law amendments in recent years two trends have become evident. These trends, while understandable, can have a very serious long-range adverse effect on society as a whole unless kept within proper dimensions. They both involve significant shifts in emphasis, which are said to be reflections of changes in public attitudes and thinking.

First, there has been a significant shift from emphasis on the personal responsibility of those who commit criminal acts to the extenuating circumstances that may be found to excuse or at least explain those criminal acts.

We are all well aware today that in almost every criminal case, during the trial and in the newspaper comments, the focus of attention centres on the extenuating circumstances: What did society do wrong that made this man commit this act; did he have some mental or physical disability; were his genes mixed up; is there some situation on which we can put our finger that explains away the criminal act which the man committed? This sometimes is carried to such extremes that the wrong done by the man and the suffering, hardship or even death inflicted by him on an innocent person is relegated to a secondary position. Our attention becomes focused on a search to discover some extenuating circumstances to explain away the criminal act committed.

I am not suggesting for a moment that an enlightened society should not give every recognition to extenuating circumstances. My submission is that if we put the entire emphasis on that aspect, and move completely away from the concept that an individual does have a personal responsibility for his criminal acts, we are on a road which ultimately will exact a fearful price from society. In much of the widespread violence which is rampant today, we see evidence of this departure from personal responsibility by placing the blame on society, the offender's parents, his home life, education, or any one of a hundred factors which are dragged out as explanations of the offence committed.

The second current trend in criminal law amendment stems, perhaps, from the first. We are seeing a shift of emphasis from the penalty aspect of wrongdoing to the aspect of rehabilitation of those who have done wrong. Here again an enlightened society must recognize the role and importance of rehabilitation. I hope my remarks will not be misinterpreted as suggesting that we should not be deeply concerned with rehabilitation, and should not do everything within reason to see that criminals are rehabilitated. I say we should do all of those things, but we should not in the process get away from the fundamental concept that criminal actions should carry with them a penalty. I think this is the point Senator Molson was making a few moments ago respecting the abolition of corporal punishment.

More and more the position is taken that the criminal is not a person who should be punished, but rather the whole focus of public attention and society's responsibility should be directed to doing what needs to be done to rehabilitate him. Criminal acts are becoming primarily a passport to a sophisticated process of care and rehabilitation at public expense. There are hundreds of cases today in which men receive better care and more extensive services in rehabilitation because they have been found guilty of criminal acts than are provided for those who endeavour to be law-abiding citizens. Once again, I am not speaking against rehabilitation. I am all for it, but I say that if in our criminal law we are going to eliminate the penalty aspect of criminal offences, we are setting our feet on a path which will lead to even more serious difficulties in the days ahead.

I always remind myself that the most realistic canon of law, including criminal law, that humanity ever had was not formulated in parliaments or legislatures. It was given to Moses on Mount Sinai a long, long time ago. It was realistic law and it involved penalties. It was precise and specific. It is a significant fact that the farther society has moved away from those fundamental premises of true justice embodied in the Ten Commandments the greater have become our social problems.

I mention these points, honourable senators, because I am sure a great many Canadians are deeply concerned with the trends evident in amendments to criminal law in Canada in recent years, as we have moved farther and farther away from an individual's responsibility for his criminal acts, and from the penalty aspects for doing that which is wrong.

Hon. Keith Laird: Honourable Senators—

The Hon. the Speaker: I must remind honourable senators that if the honourable Senator Laird speaks now his speech will have the effect of closing the debate on second reading.

Hon. Mr. Laird: Honourable senators, the addresses given today have made a real contribution to the debate. Perhaps I will be forgiven for reminding the house that I did indicate in my speech last night that there were matters which would provoke discussion along these lines.

• (1620)

I detected a common theme throughout all the speeches made this afternoon, namely, that the matter has been pursued in debate as far as possible, and that the proper place to go into the matter in detail, and to consider the merits of the various changes, is the committee. Therefore, I do not propose to say anything further. I simply recommend that the bill be now read a second time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Laird: Honourable senators, I move that this bill be referred to the Standing Senate Committee on Legal and Constitutional Affairs.

Hon. Mr. Flynn: I would like the chairman of the committee, Senator Prowse, to tell us if he has a list of witnesses he intends to call. I might suggest that the Quebec Bar and the Canadian Bar Association be asked to send representatives. I do not know if it is possible to have representatives of the judiciary appear, but I think it would be a good idea in view of the contempt of court problem.

Hon. Mr. Prowse: Honourable senators, tentative arrangements have been made, and they will be confirmed immediately. As soon as I can get to the telephone I will arrange for Mr. Christie, Assistant Deputy Attorney General, to appear before the committee at 9.30 tomorrow morning in Room 356-S. At that time I think it will be for the committee to decide what other witnesses should be called. I am quite sure that there is sufficient technical material available for discussion which will require Mr. Christie's presence for some time. If it is felt that further witnesses should be heard, there will be plenty of opportunity for them to appear.

Hon. Mr. Flynn: My question is: Will the chairman invite the Canadian Bar Association, the Quebec Bar, and the association of members of the Canadian judiciary, if there is such an association. I think there is, at least at the level of the provincial judges in Quebec.

May I clarify the record by saying that in Quebec under the Code of Civil Procedure there is an appeal from the decision and the sentence in all cases of contempt of court in the Superior Court, but in the lower courts there is an appeal only with leave of the Appeal Court.

Hon. Mr. Prowse: There is no reason why anyone should be denied a hearing by the committee.

Motion agreed to.

The Senate adjourned until 2 p.m. tomorrow.

THE SENATE

Thursday, June 1, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Public Service Commission of Canada for the year ended December 31, 1971, pursuant to section 45 of the Public Service Employment Act, chapter P-32, R.S.C., 1970.

Report of the Public Service Commission on Positions or Persons excluded from the operation of the Public Service Employment Act for the year ended December 31, 1971, pursuant to section 45 of the said Act, chapter P-32, R.S.C., 1970.

Report of the Public Service Commission on Delegation of Staffing Authority for the year ended December 31, 1971, pursuant to section 45 of the Public Service Employment Act, chapter P-32, R.S.C., 1970.

Report of Telesat Canada for the year ended December 31, 1971, including its accounts and financial statements certified by the Auditors, pursuant to section 37 of the Telesat Canada Act, chapter T-4, R.S.C., 1970.

Report on the operations of the Exchange Fund Account, together with the Auditor General's report on the audit of the Account, for the year ended December 31, 1971, pursuant to sections 17 and 18(2) of the Currency and Exchange Act, chapter C-39, R.S.C., 1970.

Copies of Revised Constitution of the Order of Canada together with Letters Patent and Order in Council P.C. 1972-809, dated May 1, 1972, approving same.

Copies of Constitution of the Order of Military Merit together with Letters Patent and Order in Council P.C. 1972-810, dated May 1, 1972, approving same.

Copies of Regulations pertaining to three decorations for bravery together with Letters Patent and Order in Council P.C. 1972-811, dated May 1, 1972, approving same.

BUSINESS OF THE SENATE

On the Notice of Motion for Adjournment:

Hon. Donald Smith: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, June 13, 1972, at eight o'clock in the evening.

Hon. Mr. Molson: Explain.

The Hon. the Speaker: This is a debatable motion, of course.

Hon. Paul Martin: Honourable senators, I cannot see that we in this chamber would have before us any bills until at the earliest some time next Thursday, and perhaps not even then. This does not mean that we do not have things to do. I understand that the Standing Senate Committee on Legal and Constitutional Affairs has further work which it wishes to do on the bill that we were discussing yesterday. The committee could resume its sessions the following week if this motion is passed.

Perhaps this would be a convenient time to indicate the legislation that is on the government's books, not all of which, I am sure, will be dealt with before adjournment, whenever that takes place. Senator Molson yesterday asked for an indication. I would think that we could expect the Wheat Board Bill. We might have the Foreign Takeovers Review Bill for the following week, but I doubt that very much because the second reading debate has only just commenced in the other place. We might well have the Wheat Board Bill, and we could have the CNR Financing Bill. We might also have the Exhibitions Assistance bill, and it is conceivable that we could have the Family Income Security Plan bill. Other bills that are of some importance on the government's agenda are: The amendments to the Canada Labour Code, the National Housing Bill, the Residential Mortgage Financing bill, the wiretapping bill, and the Adult Occupational Training Bill. Some of these are now in committee and may be reported shortly.

• (1410)

I apologize for not being able to speak with greater precision, but no one can; certainly no one in this house can because we are not in control of the proceedings in the other place. I would hope upon resuming the following week we would be able to continue with the constitutional committee bill, the Wheat Board Bill, which is quite important, and whatever other bills might come to us at the end of the week.

Hon. Hartland de M. Molson: Honourable senators, I am grateful to the Leader of the Government for trying to let us in on the mysteries of the parliamentary program as he sees it. I realize that there is very little for us to deal with in this chamber, but I should like to say that as far as I am aware there are four standing committees that would like to hold meetings. I believe the Legal and Constitutional Affairs Committee has more work to do; Senator Hayden told me this morning that he proposes to call a meeting of the Banking, Trade and Commerce Committee next week; the Rules Committee, as I said yesterday, has a backlog of business suggested to it by members of this chamber, and I understand from my honourable friend, the Chairman of the Internal Economy and Contingent Accounts Committee (Hon. Mr. Smith), that his committee has to hold a meeting at some stage.

If we are going to adjourn until June 13, and if the Prime Minister is to be believed when he says we are going to adjourn at the end of June, perhaps we will be fairly busy in this chamber towards the end of June. I

would like to see our committee work, which I have always considered at least as important as the work in the chamber, continued and cleaned up. I should think that next week would be an admirable period for our committees to sit, at least those I have mentioned, to deal with their problems and get through the rather time-consuming function of examining relevant matters.

To that extent I should like to suggest to the Leader of the Government that when we adjourn today we adjourn to Tuesday night next and then use Wednesday and Thursday for committee work.

Hon. Mr. Martin: I would be very interested to hear what honourable senators have to say in that respect. Such proposals previously put forward have not been readily accepted. It has not been the experience that that is the wish of honourable senators. However, the Senate itself decides these matters.

I should say that in the list I recited I failed to mention that after the budget debate in the other house, which is not likely to be until the following week, we might have the Customs Tariff bill and the Excise Tax bill, but I do not expect we will receive the budget bills for some time, perhaps not before the end of June.

Hon. John J. Connolly: Honourable senators, I do not want to engage in a discussion with regard to Senator Molson's suggestion because I am really not qualified to talk about that. However, there are two bills that were mentioned in the list given to us by the Leader of the Government which I feel are of considerable significance and of great interest to this chamber. One bill deals with foreign takeovers and the other with the Labour Code. I know it is difficult for the Leader of the Government in the Senate to have much influence on the program of work in the other place, but perhaps it would strengthen his hand if it were made known by him to some of his colleagues who have that kind of influence in the other place that the Senate would be glad to have these two bills in preference to most of the others that were mentioned in his list, because they are likely to take more time here.

It is par for the course that just at the last minute before a recess a second chamber should have a great deal of work thrown at it, and sometimes important work, when real consideration cannot be given to it. The only way to overcome this is to make those who control the progress of legislation in the other place understand the reasonable views of the Senate. We cannot blame the Leader of the Government in the Senate if our legislative program does not always work out. Frankly, after a good many years I have come to the conclusion that it seldom does. However, the sooner we get bills of this kind the better it is for this chamber, and indeed for the legislation itself.

Hon. J. Harper Prowse: Honourable senators, the Standing Senate Committee on Legal and Constitutional Affairs would have been able to report today on Bill C-2, the Criminal Law Amendment Act, except for the fact that it was decided the committee would hear representations from people who may wish to appear before us. One of the groups suggested has already been contacted and indicated that it does not want to appear. The second group can be heard the following week just as well as next week. To bring the house back merely for that purpose would, to use a simple term, be a little stupid.

The committee has arranged hearings for the following week, and so it would seem unnecessary to bring the committee back next week for perhaps 15 or 20 minutes of work. To call the house back merely so that honourable senators can deal with committee work, when there is not much of it to be done, is a waste of everyone's time.

Hon. Jacques Flynn: Honourable senators, I am not opposing the motion moved by the Leader of the Government, but I suggest that what Senator Molson has said has great value too. We in the Senate should try to adopt rules pertaining to the responsibility we have as a legislative body which is not a mere tool of the government in office. If we could accomplish that, situations such as the one with which we are faced today would not occur.

Honourable senators will remember that we were to come back on Tuesday, May 16. Then we received a telegram calling us back on May 15 just in case the Old Age Security bill were passed by the other place. We arrived on the Monday evening; we waited as patiently as we could; and then we waited Tuesday and Wednesday and Thursday until 4.45. Then we were forced to rush through two bills in less than one day.

• (1420)

I said at the time that we looked stupid, and I repeat that we looked stupid. We should devise some rules whereby we would state clearly that we are going to tackle our responsibility and our work in a certain way. I do not mean rigid rules, but I mean rules that are sensible, that are compatible with the proper carrying out of our own responsibilities. Coming here for nothing—nobody wants that.

On the other hand, by no means should we shirk the responsibility we have in the area of committee work. Sometimes committee work is more important, as was mentioned by Senator Molson, than the work in the Senate chamber itself. I am not trying to say who is right today as between Senator Molson and Senator Martin, but I am suggesting that we have adopted, over the last few years, a hit-or-miss approach that we should try to get away from.

I am not the Leader of the Government and I do not think that I will ever be, though I am quite sure there will be a change of government soon because that is the wish of the great majority of Canadians, but still I feel entitled to make this suggestion. The work of the Senate should be so organized that senators would know where they stand, so that they can arrange to look after other responsibilities and at the same time discharge their duty in this house.

You cannot expect senators not to object to the type of thing that happened recently. We were called back on a Monday when everyone had thought that we would come back only on Tuesday. Suddenly we received a telegram on the weekend to be here on Monday evening. Those who had already made arrangements to be elsewhere on that day could not be here. I give that as an illustration of the ridiculous situations we are forced into at times. We should try to find some guiding principles for our sitting and the carrying out of our responsibility, in an organized and businesslike fashion, principles that are not dependent on the whims and pleasure of the government.

I have told the Leader of the Government, and I am telling him again today, that he should worry less about what the government wishes, and more about what the Senate should do and would like to do.

Hon. Allister Grosart: Honourable senators, the problem which has been raised by Senator Molson and others indicates that it is only part of a much larger question which has been discussed here before. We find ourselves now in what surely must be the absurd position of being told that there are at least 12 bills which it will be desirable in the public interest to see passed before Parliament rises—under whatever type of ending of our sittings that might be. We are told that there are 12 bills that it is desirable in the public interest to put through, possibly between now and the end of the month. Yet in the first week of the month we have none of those bills here. We can anticipate a week with no legislative business before us, another week of normal business, a week of slightly abnormal business, and then another of those horrendous weeks with all kinds of impossible demands being made on the Senate.

I suggest that the time has come when all senators wish to see this problem tackled. It is obviously a problem of the timetable of legislation. It is equally obvious that the real problem is that the timetable that initiates in the other place takes no account whatsoever of the fact that there are two Houses of Parliament. Obviously, if account had been taken of that, some of these bills would be here now. I am not suggesting that the timetable is entirely in the hands of the government, but if it had been planned so that it took into account the necessity of this house being given adequate time to consider bills, surely some of these bills would be before us now.

If one looks at them, it is obvious that whatever delay there may have been in initiating these bills, or in ordering their way through the process in the other house, there is still little excuse for the creation of the situation before us now.

Let us take the CNR financing bill. The CN people will be coming before us to approve expenditures made more than 18 months ago. Surely that bill could have been brought before us long ago. The foreign takeovers bill is another one. If there has been any major issue before the Canadian public that has been the subject of intolerable and inexplicable delay, it is that particular bill.

I suggest again that we do something about this, because as I have said before this is a problem that can be solved. It will be solved if we in this place show the will to solve it. It will not be solved if we permit this situation to develop without organized, institutionalized, serious protest to those who can change it.

Hon. Mr. Smith: Honourable senators, I do not intend to engage in any controversial debate as to whose responsibility this situation is. On certain occasions, perhaps once or twice a year, we find ourselves in a rather embarrassing position with regard to the disposition of important government legislation. I think I should point out that what we are now talking about, however, is whether we should adjourn until June 6 or whether we should, in the terms of the motion that I made, adjourn until June 13. Surely the choice between those alternatives depends on whether we would be better served by coming back on June 13, as I suggested, or on June 6, as Senator Molson suggested, and, regardless of whether any legislation has been prepared for us, spend whatever time we care to spend on doing committee work.

Before touching on what I wanted to say with direct reference to my motion, I feel I should make some response to something Senator Grosart touched on. Owing to the fact that I have not been a member of this chamber or the other one for as long as many other senators present, at least on our side of the house, I hesitate to express a personal opinion; nevertheless, I dare to do so. Let me say now what I said to someone over the luncheon table just today, that pretty soon in one of our parliaments, perhaps the next one or the one after, we in this country will finally, willingly and by agreement on all sides and with the approval of the Canadian people, come around to a businesslike way of running Parliament and will adopt some relative form of what the British have been doing for a good many years with their so-called "guillotine" and all it involves. I cannot see any hope for any kind of planning unless we are willing to do our work in a businesslike fashion. Just the other day I read in a Halifax newspaper about one of the members of the Government of Nova Scotia who at great sacrifice had left his private business to become a member of the administration of that province. He stood it for about a year and then he just could not stand it any longer. He could not stand the slowness, the indecision and the delay of the parliamentary system in this country. I think there will be a revolution in thinking before many more parliamentary sessions have gone by, and I say that with strength but without any passion whatsoever.

• (1430)

I had some notice from Senator Molson concerning the subject being raised at this time and about spending next week on committee work if we had nothing to come back to in the chamber. Let me say with reference to the Standing Senate Committee on Banking, Trade and Commerce that it is my understanding the budget bills have not yet been tabled. So how can we make a preliminary study, as we did with the tax reform bill, if we do not have any idea as to what these bills will contain? I also understand from a conversation held between the chairman and a member of the Senate today that he is not at all sure it is a good thing to refer such matters to that committee until we have some concrete form or guide.

Hon. Mr. Flynn: Are you sure your leader would not be happy to have us approve the bills even before they were tabled?

Hon. Mr. Smith: My leader is always happy even in the face of adversity.

Coming now to the Standing Committee on Internal Economy, Budgets and Administration, as honourable senators are aware, the Clerk has tabled the Senate accounts and they have been referred by the motion I made yesterday to the said committee. The practice of that committee, as authorized pursuant to a motion made by Senator Benidickson some time ago, is to have these accounts copied—and they are now in the process of being copied—and then have them referred for detailed study to a subcommittee. Then, when they have been studied, it will be appropriate to have a meeting of the full commit-

tee at which time there will be several questions to be considered, questions which cannot in any way be regarded as being of an emergency nature.

Let me point out that if there are real reasons, important reasons for bringing committees back, the chairmen of those committees can do so. At the request of the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, I will be moving a motion later today to give the committee power to sit during adjournments of the Senate. If permission is granted he will have power to hold sittings of the committee next week and at all other times when the Senate is not sitting.

The Rules Committee of the Senate is a very important one, and I know from talking to the chairman that a number of matters have been raised from time to time, some of them two years old, which he is anxious to deal with. I wish here to express my appreciation of his energy and initiative in dealing with these things. But surely these matters are not of sufficient importance at this time to bring people back from coast to coast particularly if they are not members of that committee.

I should still like to see support for my motion to adjourn until June 13, with the proviso, which is always the case, that we are subject to recall. I understand that we will have before us then eight or nine bills.

Hon. Mr. Flynn: Yes, and at the most unexpected times.

The Hon. the Speaker: Honourable senators, I forgot to give the usual warning that if Senator Smith spoke at this time, his speech would close the debate. Senator Buckwold and Senator Molson have indicated they would like to say a few words. At this time, if you agree, I will give the floor to Senator Buckwold, and then to Senator Molson.

Hon. Mr. Buckwold: I was going to ask Senator Grosart a question on a matter raised by Senator Smith. This question has been answered and I have nothing further to say.

Hon. Mr. Molson: Honourable senators, I was going to rise on a point of privilege because I doubt very much that my suggestion could really be called "stupid." However, I find it is not necessary. I bow to Senator Prowse's superior choice of words.

Senator Flynn indicated a moment ago that he did not know whether I was right or whether Senator Martin was right. I hope this question never arises. As far as I am concerned, Senator Martin is Leader of the Government in this house and his responsibility is to plan its business. If I wish to rise and tell him I think he is wrong I will do so much more unequivocally than I might if I were making suggestions regarding a sitting of the Senate.

However, I feel we have some committee work to do. Senator Smith has indicated how easily this can be done but I call attention to the calendar. The suggestion is that we return on June 13, and the Prime Minister has indicated we will adjourn the end of June.

Hon. Mr. Martin: That does not mean the Senate will adjourn.

Hon. Mr. Molson: I understand that it does not mean Parliament will adjourn. We could be here all summer.

Hon. Mr. Choquette: I doubt that.

Hon. Mr. Benidickson: We have been before.

Hon. Mr. Molson: Honourable senators, a moment ago Senator Prowse indicated that we do not wish to call people back for nothing. This was not in my mind. I think that most of us, when we commence a session of Parliament, map out our program on the assumption that, as a general rule, demands will be made upon us in the middle of the week. Of course, there are exceptions to this rule. This session has gone on now for three months. Bills S-2 and S-3 are Senate bills, and the Senate has been given no other legislation. Apparently it has been relegated to being not only a second house, but a second-rate house. We have had inquiries and motions week after week.

The Senate has only one other important function which I feel it has not fully served, and that is in the work of committees. Senator Smith has indicated his committee does not need to consider Senate accounts, that they will go to a subcommittee. However, will a subcommittee find a date on which to meet?

Recently, we have also heard that there are only two committee rooms, 256-S and 356-S. Our reading room has been turned into a lounge, which I think is proper, and the smoking room at the front is now a cabinet committee room. There are 30 senators on almost every standing committee, and there are three more committees proposed. Our committees have found considerable difficulty in holding meetings—at least those which can be attended by their best members—because of the conflict that so often arises.

• (1440)

It seems to me that as everyone was expecting to be here next week it is not altogether stupid to suggest that we return to carry out some committee work. If that is not the view of my colleagues, then I bow to their decision.

Hon. A. Hamilton McDonald: Honourable senators—

Hon. Mr. Choquette: Why do you not adjourn the debate?

Hon. Mr. McDonald: It might be a good idea having regard to some of the arguments I have heard.

Hon. Mr. Choquette: Apparently all we need is for someone to raise a subject in the chamber, and we can continue all day. We might continue until June 13 if no one adjourns the debate.

Hon. Mr. McDonald: I do not think the honourable senator is being serious. It is not my intention to debate the comments of Senator Molson with respect to committee rooms. In fact, there is very little, if any, change in the committee rooms. We have the two rooms we have always had, rooms 256-S and 356-S. The little room next to the elevator known as the smoking room was used very little as such over the period I have spent here, until such time as some committees began to use it for meetings. We then received a request from the other place that the cabinet committee, in which the Leader of the Government in the Senate is involved, be allowed to use that room part time. Permission was granted, and that room has been more or less converted to a committee room because of the desire to redecorate what has been known as the reading room.

There were a number of large tables in the reading room, which had also been used as a committee room. In

order to allow redecoration of the physical facilities of that room it became necessary to discontinue its use as a committee room for the immediate future. I do not know what will be the disposition of the room when the redecoration is completed. The decision whether to convert it to a committee room or make it a smoking or reading room will be made by the Senate as a whole. My own view is that it is much better suited to senators as a reading and smoking room than is the little room. We do have, however, as much committee room as we have ever had.

A proposal has been made to the Department of Public Works that some new facilities be made available to the Senate, both for the use of senators and to provide more committee rooms. It is my hope, therefore that when we return after the summer recess better facilities will be available, for both senators and committees. I want it understood, however, that the changes which are under way at the moment are only for the convenience of the Department of Public Works in carrying out redecoration work in the room at the back of the chamber.

The Hon. the Speaker: It was moved by the honourable Senator Smith, that when the Senate adjourns today it do stand adjourned until Tuesday, June 13, 1972, at 8 o'clock in the evening.

Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Flynn: On division.

Motion agreed to, on division.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO SIT DURING ADJOURNMENTS OF THE SENATE

Hon. Donald Smith moved, with leave of the Senate, and notwithstanding Rule 45(1)(h):

> That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit during adjournments of the Senate.

Motion agreed to.

SOUTHERN SUDAN

REQUEST FOR AID—QUESTION ANSWERED

Hon. Paul Martin: Honourable senators, I wish to answer the question asked me on Tuesday last by Senator Forsey. I told him at that time I would try to give him a reply yesterday or today. His question had to do with the Sudan.

The Government of Sudan has brought to the attention of the Canadian government the recent agreement relating to the situation in Southern Sudan, and has drawn attention to the need for a large scale resettlement and rehabilitation program if the agreement is to be implemented with success. My colleague, the Secretary of State for External Affairs, Mr. Sharp, has communicated to the Sudanese foreign minister the Canadian government's hope that the agreement will effectively lay the basis for lasting peace and stability in the area. He has stated his view that any effective relief and rehabilitation program would require strong international co-ordinating machinery, preferably within a framework of the United Nations.

Canada's substantial regular contributions to multilateral agencies have traditionally constituted its principal channel for providing aid in situations such as this one. I understand that a consignment of Canadian canned fish valued at more than $300,000 will be going to Southern Sudan as part of Canada's contribution to the World Food Program. The Canadian government is prepared to give sympathetic consideration to requests for assistance from Canadian voluntary agencies participating in resettlement efforts in the area.

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, April 27, the adjourned debate on the inquiry of Hon. Mr. Croll, calling the attention of the Senate to the Report of the Special Committee of the Senate on Poverty in Canada, tabled in the Senate on Wednesday, November 10, 1971.

The Hon. the Speaker: Is it agreed that the honourable Senator Thompson speak now instead of the honourable Senator McDonald?

Hon. Senators: Agreed.

Hon. Andrew Thompson: Honourable senators, I take great satisfaction in having the opportunity to commend the Special Senate Committee on Poverty, its members and its chairman, on this report. They had a tough, grueling challenge on November 26, 1968, when they took on the assignment "to report on all aspects of poverty in Canada and to propose appropriate remedial action." They travelled across the length and breadth of Canada, from Cox's Cove out to Vancouver, and up to Whitehorse in the Yukon.

• (1450)

It is quite clear that those honourable senators concerned applied themselves with dedication and compassion. They searched out poverty. They went into dilapidated and broken-down buildings in the city cores, and into weather-beaten shacks in the bush country.

The speeches made by those honourable senators were both stirring and moving, reflecting the need for action on behalf of Canada's poor. It was Yeats who said, "The best lack all conviction, while the worst are full of compassionate intensity." Certainly, in this case, those senators who spoke with such conviction and moving compassion are among the finest in this chamber. They represent both sides of the house, and were led by that silver-haired senator who ever since I have been in Canada has been symbolic of the drive for legislative reform to provide fair opportunity for all Canadians.

We have had presented astonishing, staggering figures of Canada's chronic poor. Before the survey, I doubt whether many of us in this affluent country were fully aware of the number of poor people who exist across our wealthy land. We were informed that three and a half million Canadians are living in poverty, that four-person family units existed on $4,000 or less a year, that 82,000 two-person families had an income of between $3,000 and

$3,700, that 12,000 families comprising five or more persons had an income of less than $1,000, which included also transfer payments.

Prior to the survey, many of us had little or no idea of the number of working poor in Canada, that over 500,000 heads of families within the labour force were receiving wages that were below the poverty line. The astonishing thing is that more than half that number were found to be located in wealthy Ontario.

The survey revealed that of 150,000 mothers who were raising 330,000 young children, more than one-third consisted of a mother with dependent children who was receiving an income below the 1967 poverty line.

The plight of the working poor represents the most severe indictment of our whole approach towards providing equal opportunity for all Canadians. The brief of the Department of National Health and Welfare presented to the committee stated:

> In general assistance benefits are not available to the working poor under existing policies.

I have read this report through twice. It is a magnificent report, and I urge every senator to read it, as well as every Canadian who feels that something should and can be done to assist the working poor. I hope it will be circulated all across Canada, that it will be placed in libraries and labour halls, and that it will become part of university courses. It exposes many of the myths which so many Canadians hold concerning the poor, including the myth that they are idle and lazy.

Let us consider the welfare population figures. In a speech given by the Minister of National Health and Welfare to the United Textile Workers of America in Toronto on September 24, 1971, he said:

> Breaking down the welfare population, the permanently disabled represent 41 per cent of the total. Mothers raising families on their own are 26 per cent. The older age group constitutes 9 per cent of the total. Those with a temporary disability or illness are 8 per cent of the total. Those who are employed but are being supplemented because of insufficient income represent 3 per cent of the total. Together, these amount to 87 per cent of the welfare population. Only 13 per cent of the population is made up of the unemployed employables.
>
> The employables on welfare by and large go on relief because they had a job and lost it, through little or no fault of their own. They remain on welfare because there are no jobs available for which they are trained. They get off welfare as soon as they can find such a job. It is as simple as that, and statistics bear this out.
>
> Thus, analyzing the total welfare caseload, we see that the figures for unemployed people on welfare for any lengthy period of time was only about 13 per cent that of the welfare population as a whole at the time of this survey last year. It is now only marginally higher. Moreover, over one-half the unemployed category on welfare has been on welfare less than one year. We should also note that only 12 per cent of this category had never worked at all full time and this can be explained by the large numbers of young people just now coming on to the labour force or young people who have worked but not long enough to accumulate unemployment insurance benefits and having extreme difficulty in finding jobs.
>
> But do the unemployed go on welfare for legitimate reasons or are they just there from laziness? Let us look at some more statistics. Fifty-four per cent of the unemployed on welfare were laid off. Another 11 per cent were either fired or not hired after a strike.

• (1500)

> Another 13 per cent, mostly women, left work because of their family situation—due to pregnancy or because they had to look after their children. Only 11 per cent quit their jobs.
>
> And you certainly can't deny that these welfare recipients want to get back into the labour force—over 70 per cent of them indicated that they were willing to move if necessary to get a job.

One of the solutions many of us felt provided an answer for the poor in Canada was economic growth. We felt that all Canadians enjoyed the benefit of economic growth. Well, this report clearly analyzes that theory and shows it to be a myth. Indeed Galbraith has been pointing out to us for a number of years that ridding any industrial society of poverty is not going to be accomplished by stepping up the growth rate any more than it would be accomplished "by incantation or ritualistic washing of the feet," as he put it. Growth is only for those who can take advantage of it, and clearly the chronic poor are not able to do so.

Because of the thrust of the report towards one particular solution, that of a guaranteed annual income, I think, in a sense, the press and the people of Canada may have lost sight of the many other recommendations. The report looked at every area of poverty and attempted to look at each solution for the elimination of poverty. Again and again the report stresses that employment opportunities must be provided, not only the provision of job opportunities but training to take jobs. There are suggestions set out in the chapter on employment opportunities to help the poor move into the stream of employment.

The report deals with many other aspects of poverty. There are recommendations with respect to the law; recommendations with respect to housing; suggestions for the provision of opportunities for people to have a decent roof over their heads; recommendations with respect to health care, and so forth. The report analyzes areas where people suffer the effects of poor health because of the inability to pay for the means that provide a cure. The high cost of drugs, for example, and the need to expand dental care and other medical care to all the people of this land, are dealt with. The report examines the poor as consumers, the nagging fear of wages being garnisheed, and the enormous debts which straddle and beat families down. The report offers suggestions in connection with helping people to get back on their feet again when they get into such financial difficulties.

The report is laced with many other suggestions in addition to that respecting the guaranteed annual income. Again and again the report says that there must be supportive measures as well as financial assistance. I think even in this chamber some honourable senators in speaking on this report might have, in a sense, lost sight of

many of its recommendations as they stressed the recommendation from the committee for a guaranteed annual income.

The report has been hard and critical on what many of us felt have been worthy services provided at every level of government to assist the poor. It looks at the maze of voluntary and government services and it comes down with the indictment that these services have failed, and states that a new approach and new thinking is needed in that area. The case that these services have failed is documented. Indeed, as we read some of the galling experiences that people applying for welfare have had to undergo we realize that in Canada we have failed by subjecting poor people to such investigations, duplication, and inadequacy of services. The report points out everything from the coldness of offices, the downgrading approaches taken. the confusion on the part of the recipient of welfare, and his inability to know his rights and to whom he can appeal in order to achieve those rights.

I remember a number of years ago when I was first a member of a provincial legislature I lived for a week with a constituent in my riding, an unemployed Italian immigrant, in a small house where there were three families. I remember the admiration I had for these people who were suffering all the abuse and hardship of being unemployed while striving to subsist in Canada. The father of this particular family had suffered an injury when a concrete form had dropped on his foot, but he did not know that there was such a thing as workmen's compensation, or anything else. He used to get up early in the morning and limp as far as ten miles trying to find employment in order to keep the family going, searching far and wide in order to find the opportunity of doing any type of work.

I remember how one of the wives upstairs worked every night in a restaurant for 30 cents an hour, and how every single penny was meticulously watched. They waited for the drug store sales in which if they bought one item they got another for a penny. When there was such a sale they would dash down to get bottles of vitamins for the children. They would stand in line to save that bit of money.

I stood in line with them when they went into offices—the unemployment insurance office and others—and I saw the apprehension and anguish on their faces at their inability to communicate. I also saw the coldness on the part of some of the officials, unfortunately, with whom they dealt. I remember how gratified I was when this sort of thing was written up by Pierre Berton in a series of articles in the Toronto *Daily Star*.

I realize there are many people across Canada who are trying in their own way to change some of these conditions, but they have not been changed. We have this indictment that poor people suffer such indignities across our land—wealthy and affluent land.

• (1510)

There was considerable discussion of the guaranteed annual income, long before it was brought up in the Poverty Committee's report, although that report has certainly infused a new interest and a new desire by Canadians to see if this step is not necessary.

I recently read the papers prepared by a number of economists and others at the Nuffield conference and seminar. in which they examined the guaranteed annual income. J. I. Clark of the Department of National Health and Welfare summarized the negative income tax developments in Israel, the United States, the Isle of Jersey, Denmark, and Canada. I think the case for a guaranteed annual income has been made very clearly in this Senate report.

As we consider the development of technology across our land we do not know the extent to which it will take place, but I am sure that more and more there will be increasing difficulty in finding employment for all our people. Indeed, it may not be possible for all our people to follow the usual pattern of work. Such economists as Robert Theobald are suggesting that perhaps we do not need to have the work ethic in the usual pattern, with the working people having to go to a factory or to do some kind of mundane, monotonous work, but rather that in our western societies we are coming to the point where an income will be provided, and working people will have the opportunity and freedom to develop their creativity.

Obviously the guaranteed annual income concentrates on need. Mr. Clark said that under the guaranteed annual income approach a blind impoverished poet gets an income, not because he is a poet or blind, but because he is poor. It means less inquiry, less investigation. Surely all Canadians want to eliminate the investigative or means test approach. We have all heard examples of the galling experience that those less fortunate than ourselves have had to face through the imposition of a means test. More and more this government has been working towards methods by which people will not be obliged to undergo a means test in order that their needs can be provided for.

Hon. Mr. Martin: It was eliminated in the university system in 1950.

Hon. Mr. Thompson: Looking at the approach of the federal government, my own feeling is that we have been developing a systematic pattern of guaranteed income. For example, we provide it to people who are receiving old age assistance. That assistance is really a form of guaranteed annual income. From reading the speeches of the present Minister of National Health and Welfare, I believe his approach is developing to the stage where inevitably we will move towards a guaranteed annual income for all Canadians.

When critics talk about this some bring forward all kinds of concerns. Will Durant is cited for his examination of the decline and fall of the Roman Empire. He pointed to the fact that free wheat and wine were given to the citizens of Rome, and suggested that this dole weakened the poor in the Roman Empire, that luxury weakened the rich. Some critics suggest that with a guaranteed annual income the same fate will befall Canada, or any other country which moves towards it.

We have had an opportunity to see the guaranteed annual income in operation in the United States. They have been experimenting with a guaranteed annual income in Seattle. At page 181 of the report the committee quotes from the progress report of May, 1971, as follows:

> —there was no significant differential in the number of hours worked per family among the various income maintenance programs . . . this lack of a significant

> differential does indicate that the various combinations of tax rates and guarantee levels have not yet affected the number of hours a family works—

In other words, in the experiments taking place in the United States people receiving a guaranteed annual income were not deterred from getting out and maintaining the same number of hours work as those who were having to work in order to get an income.

It is interesting to note that the guaranteed annual income concept has come a long way since *Poverty in Canada* was published last November. I should like to give three further examples. I have a clipping from the Toronto *Daily Star* of May 17, which reads:

> Manitoba to be First with Guaranteed Wage. Winnipeg—Canada's first experiments with a guaranteed annual income scheme will take place in Manitoba, in two districts involving a total of about 5,000 people.
>
> The provincial minister of health, Rene Toupin, told the Manitoba legislature yesterday that an agreement had been reached with Ottawa paying 75 per cent of the costs over a two-year period.
>
> Toupin said details of the scheme are still being worked out. Canada's first guaranteed income plan was supposed to get off the ground July 1. Toupin now hopes for a start in the fall.
>
> One of the major delays has been in agreeing on costs. Since the plan calls for the substitution of all welfare and social assistance plans by income supplements, estimates of costs have varied considerably.
>
> Ottawa has pledged $1.5 million and Manitoba will contribute $500,000.
>
> One experiment will take place in an urban centre, the other in a rural area. Specific boundaries have not yet been revealed.
>
> Toupin said the aims are simple. The government hopes to eliminate dozens of agencies now serving specific needs of low-income and welfare groups by simply adding to their annual income and letting them manage for themselves.

• (1520)

> One suggestion is that any family qualifying for the guaranteed income be allowed to keep 50 per cent of anything it earns above the minimum. Unemployment insurance or workman's compensation payments would be counted as part of the income for this purpose.
>
> The scheme is also designed to reverse the present situation, where an average family on welfare lives better than one earning the province's minimum wage, which amounts to $3,232 per year.
>
> Toupin said there will be no commitment to continue the program after the two-year trial period.
>
> Toupin added that the Manitoba experiment could influence the decisions of Saskatchewan, Ontario, Quebec and New Brunswick, whose governments have indicated an interest in implementing a guaranteed annual income.

Honourable senators, another example I should like to give concerns the Commonwealth of Massachusetts. There, Senator Backman introduced a bill in the legislature to replace the present welfare system with an adequate standard of living program. I quote from Senator Backman's foreword, as follows:

> It is the inherent right of every individual to be granted the opportunity for the fulfillment of a meaningful life in accordance with his capacity.

In his introduction to the bill, Senator Backman said:

> Over the past several years innumerable studies, on the state and national level, have analyzed the condition of the disadvantaged in our society. Few people will argue with the findings of these studies which describe the conditions of deprivation and the hopelessness that pervades the sector of our society called the poor. Many have observed that the poor have special housing problems, special family problems, special education problems, *ad infinitum*; and our society has addressed those special problems individually with special solutions. This approach, however, has done more to perpetuate these problems than it has to cure them. Our failing can be summed up very simply, "We have avoided the central problem that lies at the root of all the problems of the poor—an inadequate income."
>
> The following proposals are a radical departure from our traditional solutions to the problems of the poor. These proposals are an attempt to escape the quagmire of piecemeal solutions to poverty which characterizes our present approach to the problems of the poor.

Honourable senators, particularly those on the committee, will be interested to hear that Senator Backman's bill proposed $5,000 for a family of four, whereas the suggestion of our committee set the poverty line at that figure but set the income guarantee level at 70 per cent, namely $3,500, in terms of 1969 figures.

As a final example I cite the action the United Kingdom has taken toward a guaranteed annual income. Let me quote from Michael Stern's article in the New York *Times* of March 26 last:

> For two hours and 10 minutes the Chancellor of the Exchequer, Anthony Barber, stood before the packed and expectant House of Commons last Tuesday, reading from sheafs of paper he drew out of a battered dispatch box. Toward the close of his speech he drew gasps of surprise, cheers and shouts of "Hear! Hear!"
>
> It was the government's annual budget presentation, designed this year as a cure for Britain's lagging economy and growing unemployment, and what it outlined was a program of massive tax cuts and a sweeping blueprint for economic change.
>
> Mr. Barber proposes a negative income tax as a substitute for the many kinds of welfare payments now being paid. This would be joined to the withholding tax system, making it possible for a Government computer to spew out income to the poor and tax bills to the rest of the people at a saving of 15,000 civil servants.
>
> Budgets are political as well as economic documents, and this one is no exception. Roy Jenkins, Chancellor of the Exchequer in Labor's shadow cabinet, criticized the Government for giving so much to

taxpayers, particularly high-income taxpayers, and nothing more for such social purposes as school and hospital construction.

The point is valid. Although the tax plan incorporates many measures the Conservatives would have condemned as socialistic a few years ago, among them a guaranteed income for all which is what the negative income tax would provide, it remains true to Tory doctrine in that it lets the people spend more of their money and the Government less.

The details of the guaranteed annual income in Britain are to be set out in a Green Paper to be published in July or August.

Honourable senators, the Special Senate Committee on Poverty is to be highly commended, with its chairman, Senator Croll, for being again in the forefront of progressive humanitarian legislation to provide for all the people of this country the opportunity to have dignity and to be cared for without having to go through a demeaning type of investigation, study, frustration and duplication.

I suggest that some, on looking at this report, may think it unsatisfactory because it does not deal with every conceivable facet and issue concerning poverty, or that in many ways it does not deal with it thoroughly. I have read this practical report twice and, believe me, it is a document that every social worker and everyone interested in the cause of eliminating poverty in Canada should read and study thoroughly. To satisfy such requirements—that is, to look at every single area of poverty—would be almost impossible. There are many academic volumes on poverty gathering dust on shelves, but rarely is a solution proposed. This report is packed with concrete suggestions as to approaches that every level of government should be taking. But particularly, it emphasizes the guaranteed annual income. I suggest it is a logical step which will develop, based on the patterns of legislation which have been provided across Canada.

I want to have it on record that I do not agree wholeheartedly with the report's condemnation of all social legislation provided in the past. As the members of the committee talked to poor people across the country, they decided there must be drastic changes, but men like the Leader of the Government, who have very clear ideas on how to build, brick by brick, a social service system across Canada, including a health system, know that those changes cannot be brought about overnight. I remember that when we were talking about hospital and medical insurance, for example, and looking ahead to see that there would be the necessary medical schools and other facilities available, I wrote a speech for him. I do not think he ever used it, but it was for the opening of Humboldt Hospital. I believe he described more adequately in his own words the progressive development of our social legislation.

• (1530)

In any event, Canadians of every political persuasion have been knitting together a social assistance pattern, and that pattern is clearly enunciated in this document. It is the pattern of moving towards a guaranteed annual income. I say to the members of the Special Senate Committee on Poverty: You are indeed champions of the poor in Canada.

[Hon. Mr. Thompson.]

On motion of Hon. Mr. Carter, debate adjourned.

CONSTITUTION OF CANADA

CONSIDERATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE—DEBATE CONTINUED

The Senate resumed from Wednesday, April 26, consideration of the final report of the Special Joint Committee of the Senate and the House of Commons on the Constitution of Canada, tabled in the Senate on Thursday, March 16, 1972.

Hon. John M. Macdonald: Honourable senators, as this is the first time I have had occasion to speak in this chamber since the appointment of three new senators from the Province of Nova Scotia I should like to take the opportunity to welcome them to the Senate. I did not have the privilege of knowing Senator Norrie before she came here, but I do know that she is highly regarded and respected in the Province of Nova Scotia. Her appointment has met with general approval there. I have known Senator Graham for some time now. While he is a comparatively young man, nevertheless he has already been very active in the political and industrial life of our province.

I might add a special word of welcome to Senator Hicks, because I have known him longer and perhaps better. He has already had two distinguished careers. As a former Premier of the Province of Nova Scotia he had indeed a most distinguished political career. As President of Dalhousie University he is in the midst of a second distinguished career, and I am sure he will add a third one as a member of this chamber. It so happens that he and I served together for a term in the Legislature of Nova Scotia. While we did not see eye to eye in politics, yet we worked together for the common good of our province. I am happy that he and I will again be working together for the good of our province and our country.

Honourable senators, I should like to say a few words today on the Report of the Special Joint Committee of the Senate and House of Commons on the Constitution of Canada. As you know, the report of this special joint committee contains 105 recommendations. Those recommendations are found in the 37 chapters which make up the report. Obviously it would be at least difficult to examine all or even many of those recommendations in one speech, so I propose to confine my remarks to three chapters which I find especially interesting. I realize, of course, that the other recommendations are all worthy of consideration and discussion. Indeed, some of them have already been well discussed during the course of this debate.

I shall speak somewhat briefly on the recommendations contained in chapters 13, 5 and 4, in that order. I mention chapter 13 first because it deals with the role of the Senate in the proposed new constitution. Naturally enough, I have a particular and indeed special interest in that recommendation.

If we look at page 33 of the report we see that the committee gave a concise and, in my opinion, an accurate statement of the history and origin of the Senate, and the

role it was meant to have in our parliamentary system. I should like to quote in part from that page, as follows:

> The Confederation Debates of 1865 prove that there would have been no Confederation in 1867, or at least no Canada as we know it today, if provision had not been made for the Senate. The Maritimes and Quebec were not prepared to join the union if there was to be only one elected House, based on population. Canada would be a federation, and not a unitary state. Consequently, if the Lower House were based on representation by population, there must be an Upper House giving equality to the regions.

Further on it is stated:

> Two roles, then, were intended for the Senate of Canada: 1) the protection of Provincial, minority or regional rights; 2) the review of legislation (in the words of Sir John A. Macdonald, "the sober second thought in legislation.")

If I may digress for just a moment, I would say that I have become tired, in fact, completely fed up, with hearing or reading the expression, "sober second thought." It seems to me to be insulting to the House of Commons to intimate that they do not give legislation a sober first thought.

The committee recognized and acknowledged that the Senate was established as a protection and a safeguard for minority or regional rights. Indeed, I think it is fair to say that even the review of legislation was for this purpose. The committee conceded that the reasons which motivated the Fathers of Confederation to include the Senate in our parliamentary system are still valid today. However, the committee wants what it is pleased to call "reform." On page 34 of the report, the committee states:

> We agree with the witnesses who argued for reform of the Senate, not its abolition. The reasons which prompted the Fathers of Confederation to set up a bicameral legislative process in Canada are still valid today. Federal states in particular have found upper houses valuable. They allow greater regional representation at the level of the central government. The federal legislative process can and does benefit from regional representation.
>
> The importance of this role cannot be denied. The problems of regional disparities, the recurring talk of alienation from some regions, of separatism from others, and the concern about domination by the Central Provinces reinforce traditional and theoretical arguments. The growth and development of Canada has not reduced regionalism in some aspects, but has rather enhanced it as regions grew stronger. Much remains to be done to improve the relations and understanding between regions, and the Senate can be one important tool.

• (1540)

Honourable senators, in view of these statements I am simply amazed at the recommendations made by the committee concerning the Senate. I need not mention them all, but the main recommendation is one to the effect that the Senate should be so reformed, if you can use that word, that it would lose the veto power it now has. It has had this veto power for 105 years. Yet, they would replace it by the power to suspend for six months the coming into effect of legislation which has been passed by the House of Commons. I have gone over this chapter very carefully and I cannot see where any sensible reason has been advanced to support such a foolish recommendation.

True, the report mentions that the powers of the House of Lords in England have been reduced over the years, so I presume the inference is that the power of the Canadian Senate should likewise be reduced. Some people may consider that to be a reason, but I certainly do not. While I have every respect for the parliamentary system in Great Britain, I fail to see how it can have any possible application to the present-day Canadian parliamentary system. Certainly I can see no reason whatsoever why the Senate of Canada in 1972 should be patterned after the 1972 version of the House of Lords in England.

Might I digress here for a moment to say that it has always been a great mystery to me why there appeared to be such an attitude of mind in Canada which always holds in veneration whatever is done in England. Let me say quite clearly that I do not.

It is my opinion that to take away the veto power of the Senate is to take away the main reason for its existence, and I cannot see how it could carry out its duties and responsibilities without such power, because the other activities which are recommended for the Senate are relatively minor. I cannot see how such activities, even if carried out with an enlarged Senate, which they recommend, could justify the continued existence of the Senate. It is my belief that the Senate as an appointed body, with all the powers it now has, is an important part of our parliamentary system. I believe it is a safeguard and a protection, as it was meant to be. And like all such safeguards and protections perhaps it may never, or only rarely, need to use those powers, but the mere fact that it has such powers is in itself security that the rights of regional and minority groups in Canada will be safeguarded. I do not believe, nor can I understand how, such security could be effective if the Senate had only the power to delay legislation for six months. It is my opinion that under the recommendation of the joint committee, if it were ever put into effect, the major role of the Senate would be destroyed, and this would result in its abolition in effect if not in name.

It is my view, honourable senators, that if the time has come, or if it should ever come, when the Canadian people are convinced that the Senate is no longer needed as a part of our parliamentary system, then it should be abolished; but if it is to be abolished, let it be done openly, aboveboard, with dignity and honour. Let us have none of this business of undermining the authority and prestige of the Senate so that it lingers on merely as an historical curiosity rather than as an effective part of our parliamentary system. In my opinion the joint committee confused reform of the Senate with its destruction. As honourable senators may have gathered, I am opposed to this recommendation of the joint committee, which would weaken and limit the power of this chamber.

In Chapters 5 and 4 of the report we find recommendations dealing with an amending procedure and with the patriation of the Constitution. I think we can all agree with the statement in the report that it would be unwise to

proceed with the patriation of the Constitution in the absence of an agreement as to an amending procedure. I certainly agree that it is humiliating to Canada to have to go to the British Parliament to amend her own Constitution. It is, of course, well known that for years an amending procedure has been looked for which would have the approval of the federal Government and all the provincial governments. The report adopts the formula to amend the Constitution that is contained in the Victoria Charter of June 1971. I believe that the formula, while not wholly acceptable to all provinces, has a fairly good chance of being approved with some modifications. In any event, articles 49, 50 and 51 of the Victoria Charter contain the proposed amending formula, and they are as follows:

> Article 49. Amendments to the Constitution of Canada may from time to time be made by proclamation issued by the Governor General under the Great Seal of Canada when so authorized by resolutions of the Senate and House of Commons and of the Legislative Assemblies of at least a majority of the Provinces that includes
>
> (1) every Province that at any time before the issue of such proclamation had, according to any previous general census, a population of at least twenty-five percent of the population of Canada;
>
> (2) at least two of the Atlantic Provinces;
>
> (3) at least two of the Western Provinces that have, according to the then latest general census, combined populations of at least fifty per cent of the population of all the Western Provinces.
>
> Article 50. Amendments to the Constitution of Canada in relation to any provision that applies to one or more, but not all, of the Provinces may from time to time be made by proclamation issued by the Governor General under the Great Seal of Canada when so authorized by resolutions of the Senate and House of Commons and of the Legislative Assembly of each Province to which an amendment applies.
>
> Article 51. An amendment may be made by proclamation under Article 49 or 50 without a resolution of the Senate authorizing the issue of the proclamation if within ninety days of the passage of a resolution by the House of Commons authorizing its issue the Senate has not passed such a resolution and at any time after the expiration of the ninety days the House of Commons again passes the resolution, but any period when Parliament is prorogued or dissolved shall not be counted in computing the ninety days.

You will see there, honourable senators, that the six months has now been reduced to ninety days.

It is fairly obvious that the recommendations of the joint committee are controversial and they could be debated for years without obtaining a general agreement. In my view, the whole emphasis should be placed by governments on a sustained effort to find an amending formula which would have the approval of all concerned. If such a formula could be found then we could bring the Constitution from the United Kingdom to Canada where it belongs. When we have it in Canada, we can decide what and when amendments should be made.

[Hon. Mr. Macdonald.]

• (1550)

I suggest we put first things first and decide on a formula for amending the Constitution, and bring it to Canada. Amendments can then be considered, and perhaps agreed upon. By so doing, at least we would have made a good start towards constitutional reform. I feel that if we endeavour to create a whole new Constitution it would be so controversial that we would never find agreement. I sincerely suggest we find a simple formula for amending the Constitution, perhaps article 49 of the Victoria Charter. I think we should forget articles 50 and 51 because they are controversial. I suggest we find a simple formula, get the Constitution into Canada, and then do what we wish with it.

Hon. Mr. Choquette: If no senator on the government side of the house wishes to adjourn this debate, I will adjourn it on behalf of Senator Flynn.

On motion of Hon. Mr. Choquette, for Hon. Mr. Flynn, debate adjourned.

UNEMPLOYMENT INSURANCE ACT, 1971

BILL TO AMEND—SUBJECT MATTER REFERRED TO COMMITTEE

The Senate resumed from Thursday, April 13, the adjourned debate on the motion of Hon. Mr. Macdonald, for second reading of Bill S-2, to amend the Unemployment Insurance Act, 1971.

Hon. Paul Martin: Honourable senators, I apologize to Senator Macdonald for the long delay in proceeding with this bill. I am sure he will appreciate there has to be consultation with the minister concerned, and he has been ill. There were other complications as well so I was not able to deal with this bill earlier.

I have discussed this matter with Senator Macdonald and I regret to say, on behalf of the government, I cannot accept the bill and I will give my reasons. But I think Senator Macdonald and I have agreed on a formula that might enable the subject matter to go to committee where witnesses can be called from the Unemployment Insurance Commission, as well as the minister himself.

However, before presenting the formula by which this matter could be dealt, I point out that this bill proposes the removal of the provision exempting persons aged 70 and over from insurable employment—and also the removal of the provision excepting persons receiving Canada Pension Plan benefits or Quebec Pension Plan benefits from insurable employment.

The Department of Labour has advised me that the labour force survey statistics indicate that the number of persons in the Canadian labour force over 65 years of age is rapidly decreasing. In 1962 persons over the age of 65 accounted for roughly 16.7 per cent of the labour force. By 1971 this had been reduced to 11 per cent. It is clear that there is an increasing tendency for persons in this age group to leave the labour force. I am sure the Unemployment Insurance Commission could expand on this point in committee, but the steadily decreasing number who continue in the labour force represents an above average draw on the Unemployment Insurance Commission account.

For persons between the ages of 65 and 70 who receive a retirement pension, under either the Canada Pension Plan or the Quebec Pension Plan, the Unemployment Insurance Act provides special severance benefits equal to three times the weekly benefit. If these people were not receiving the Canada Pension or the Quebec Pension they would be entitled to the regular unemployment service benefit.

Hon. Mr. Macdonald: If I may intervene, I do not think that is correct.

Hon. Mr. Martin: I am reading from a memorandum which was given to me by the Unemployment Insurance Commission. Senator Macdonald could perhaps read this memorandum. I shall be happy to examine his intervention as well.

The Unemployment Insurance Commission has advised me that in order to qualify for regular unemployment insurance benefits a person, among other things, must be available for work.

I have already indicated that persons between the ages of 65 and 70 must be retired from their regular employment to draw retirement benefits under either the Canada Pension Plan or the Quebec Pension Plan. If it were not for paragraph 3(2)(a) of the Unemployment Insurance Act, 1971 which Senator Macdonald has called to our attention in this bill, Canada would be faced with an anomalous situation whereby residents between the ages of 65 and 70 could declare themselves retired for the purpose of drawing Canada Pension Plan or Quebec Pension Plan benefits, and simultaneously declare themselves not retired for the purpose of collecting regular unemployment insurance benefits.

Honourable senators will agree that paragraph 3(2)(a) of the Unemployment Insurance Act, 1971 is there for a good reason and not for the purpose of pressuring people out of work. These were sufficient reasons for limiting insurable employment to persons aged 65. However, the fact is the administration has ignored a mere dollar consideration and has extended the insurable employment to persons up to age 70, and I think for a good reason.

In developing the Unemployment Insurance Act, 1971 attention was not confined to unemployment insurance in itself, but embraced an unemployment insurance program within the national fabric of existing social legislation. I think honourable senators will agree, having in mind the parameter of existing social legislation, that the position taken with regard to this proposal is not an unreasonable one.

Under the Canada Pension Plan, pensionable employment ceases at age 70. In addition to the Old Age Security and Guaranteed Income Supplement, both of which may be paid as early as age 65, the Canada Pension Plan is payable to age 70 without restriction. It may be paid between the ages of 65 and 70, but with the restriction that the person be retired from regular employment.

To recapitulate, it will be seen that the purpose of the new unemployment insurance legislation is, and I quote from the act:

> To insure regular members of the labour force against the contingency of a temporary interruption in earnings from their employment.

• (1600)

There is nothing in the legislation which prevents an individual who is over 70 years of age from working, nor is he or she required to pay contributions. As Senator Macdonald knows, I did have some difficulty personally with this provision, because I think it must be left to the individual, no matter what age, to decide whether he or she wishes to be in the labour force. However, there is nothing in the new amendments which alters that, or compels them to make contributions to the fund.

The administration felt that persons in this category, however, fall outside the definition of regular members of the labour force. It was felt that their interruption of earnings would, in the vast majority of cases, not be temporary. Given that the Unemployment Insurance Act cannot solve all our social problems, the government in the existing law decided that the parameters, within which a regular member of the work force would be defined, ought to extend from anyone having eight weeks or more of labour force attachment through to anyone in receipt of Canada Pension Plan or Quebec Pension Plan benefits. There had been a suggestion earlier, as perhaps Senator Macdonald is aware, to reduce this from 70 years of age to 65, or to deduct the proceeds of work-related pensions from those individuals between 65 years of age and 70 who had not opted to receive the benefits of the Canada or Quebec Pension Plans. The government, however, took the position that the exit point should be 70 years of age, with no deductibility of work-related pensions in the interim period.

Although it is incidental to the argument in principle, I think it is important to note that the proposed amendment would cost an additional $60 million. At one time I thought, as Senator Macdonald knows, that this perhaps would be outside our authority because of the limited powers of the Senate, and of private members in the other place, to initiate money bills. I am overlooking that, however, in view of the proposal I am making, in which Senator Macdonald has concurred, for dealing with this matter and making sure that his bill is given the fullest airing.

Finally, I think it is important to remember that the new legislation substantially liberalized the unemployment insurance plan. The qualifying period was reduced from 30 to eight weeks, insurability was extended to cover the contingencies of sickness and maternity, and the maximum benefit was raised to $100 per week from $58 per week. The maximum in 1968 was only $36 per week. In addition, the duration of the benefit period is no longer tied to an arbitrary one week of benefit for every two weeks of contribution, but is flexible in a reflection of the current unemployment rate.

It will be recalled that persons voluntarily leaving the labour force between the ages of 65 and 70 years by accepting a Canada Pension Plan retirement scheme or that of the Quebec Pension Plan, and those who leave the plan at 70, both receive a retirement allowance equivalent to three weeks of benefits.

Honourable senators, this is the position of the government, expressed to me through the Minister of Manpower and Immigration. However, Senator Macdonald has put this matter forward, and I think it is one that should be

further examined. I have suggested to him, and in this he has concurred, that for this purpose, in view of the position that I take on behalf of the government, this bill be not now read a second time but the subject matter therein be referred to the Standing Senate Committee on Health, Welfare and Science for immediate consideration.

Hon. Mr. Choquette: Is that not killing the bill?

Hon. Mr. Martin: Yes, that kills the bill.

Hon. Mr. Choquette: In a nice way.

Hon. Mr. Martin: It is the way in which I like to treat a man for whom I have very great respect, when he brings forward a proposal in which he is interested. If, on the evidence in committee, the committee's judgment should be other than what I have stated, there certainly will be no objection to Senator Macdonald's bringing this bill back.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Macdonald, seconded by the honourable Senator Choquette, that this bill be read the second time.

In amendment it is moved by the honourable Senator Martin, seconded by the honourable Senator Smith that this bill be not now read a second time but that the subject matter thereof be referred to the Standing Senate Committee on Health, Welfare and Science. Is it your pleasure, honourable senators, to adopt the motion?

Hon. John M. Macdonald: Honourable senators, first of all I must thank the Leader of the Government, who has obviously given this matter great consideration. I have no objection to that procedure being followed. I believe that when the amendment is before the committee it will be regarded as an improvement to the present act, and the committee will consequently give it favourable consideration.

I do not see the force of the arguments that have been put forward. As I understand it, the unemployment insurance scheme is actuarily sound, as is the Canada Pension Plan. A contributor to the Canada Pension Plan should receive the benefits when he is entitled to them, no matter whether he is working or not, and no matter whether he desires to work or not. The same should apply to unemployment insurance. So long as a contributor has paid into it and is paying into it, I do not see why the cutoff should be at 70 years of age, as undoubtedly there are not too many of that age who wish, or are able, to work. However, those who are able and willing to work should have the right to do so, and to draw unemployment insurance.

In view of the fact that the Leader of the Government is prepared to have the subject matter referred to committee in order that it may be given further study, I fully concur and thank him for his consideration. It may not be too long before I will introduce another bill to amend the Unemployment Insurance Act.

Motion in amendment agreed to.

The Senate adjourned until Tuesday, June 13, at 8 p.m.

THE SENATE

Tuesday, June 13, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of Directive respecting the protocol for wearing the insignia of Canadian Orders and Canadian Decorations, together with Order in Council P.C. 1972-1206, dated June 1, 1972, approving same.

Copies of final communiqué issued following the Ministerial Session of the North Atlantic Council, held at Bonn, May 30 and 31, 1972.

Report of operations under the Farm Improvement Loans Act for the year ended December 31, 1971, pursuant to section 13 of the said act, chapter F-3, R.S.C., 1970.

Report on the administration of the Small Businesses Loans Act for the year ended December 31, 1971, pursuant to section 11 of the said act, chapter S-10, R.S.C., 1970.

Copies of the Second Report of the Federal-Provincial Committee on Atlantic Region Transportation.

PUBLIC SERVANTS

IMPROPRIETY OF MAKING SPEECHES ON MATTERS OF POLICY—NOTICE OF INQUIRY

Hon. Eugene A. Forsey: Honourable senators, I wish to give notice that with leave of the Senate and notwithstanding Rule 44(2), tomorrow I will call the attention of the Senate to the impropriety of public servants making speeches on matters of policy.

Hon. Senators: Hear, hear.

The Hon. the Speaker: Has the honourable senator leave to proceed with this inquiry?

Hon. Jacques Flynn: I would suggest that as far as leave is concerned it could be asked for tomorrow. Things change so quickly in this place that I should like to withhold my permission until tomorrow.

Hon. Mr. Croll: Why tomorrow?

Hon. Mr. Flynn: The honourable senator has asked leave to proceed tomorrow, although under the rules he cannot proceed before Thursday. My suggestion is that he ask leave tomorrow, at which time we will know if we have some more urgent matters to deal with. I would not want to grant leave if there were more urgent matters.

Hon. Mr. Croll: You would deprive yourself of the opportunity to hear Senator Forsey?

Hon. Mr. Flynn: I am quite sure we would not deprive the Senate of the opportunity of hearing Senator Forsey. If we do not hear from him tomorrow it will be Thursday.

Hon. Mr. Forsey: Honourable senators, I have not the slightest desire to get in the way of more important business. If the Leader of the Government is about to delight and astonish us with vast measures of great public importance from the other house, I can assure the Leader of the Opposition that I shall be the first to throw my cap in the air and make way. What I have to say will very well keep; it may even, like good wine, improve with age.

Hon. Mr. Flynn: The honourable Senator Forsey understands, I think, that I am just trying to co-operate with the Leader of the Government who is always desirous of dealing with government matters before anything else.

Hon. Mr. Forsey: I know the zeal of the Leader of the Opposition in this good cause.

Hon. Paul Martin: If it would help to convince Senator Flynn that he should give leave now, I can assure him that I do not know of anything from my end that would preclude our granting leave to Senator Forsey to go on with his speech tomorrow.

Hon. Mr. Flynn: Well, this assurance, given past experience, is not sufficient for me.

• (2010)

The Hon. the Speaker: Honourable senators, this is a quite unusual situation. There was no unanimous consent, but if I understand the Leader of the Opposition correctly he has withheld permission until tomorrow.

Hon. Mr. Flynn: Notice has been given as normally it should be.

LEGAL AND CONSTITUTIONAL AFFAIRS

ADDITION TO COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator McIlraith be added to the list of senators serving on the Standing Senate Committee on Legal and Constitutional Affairs.

Motion agreed to.

STANDING RULES AND ORDERS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator Argue be substituted for that of the honourable Senator Boucher on the list of senators serving on the Standing Committee on Standing Rules and Orders.

Hon. Mr. Flynn: Leave is granted, of course.

Motion agreed to.

POLLUTION

DAMAGE RESULTING FROM OIL SPILLS OFF WEST COAST —URGENCY FOR REFERENCE TO INTERNATIONAL JOINT COMMISSION—NOTICE OF MOTION

Hon. Hazen Argue: Honourable senators, I give notice that tomorrow, Wednesday, June 14, 1972, I will move:

> That in the light of the damage in Canada and the United States arising from the recent oil spill at the Cherry Point Refinery, the Senate support the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and request the Secretary of State for External Affairs to immediately convey the terms of this motion to the Government of the United States; and
>
> That the International Joint Commission have a mandate to utilize and requisition such financial and other resources of Canada and the United States as will best and soonest restore the ecology and environment on the West Coast to pre-spill conditions.

I might say for the information of honourable senators that a motion in exactly these terms was passed by the other place a couple of days ago.

Hon. Jacques Flynn: On a point of order. The honourable Senator Argue has given notice, but he has also to ask for leave to proceed tomorrow. I think we should adopt the same principle as we did with Senator Forsey, especially since the length of the motion will probably require me to read it in *Hansard* or in the *Minutes of the Proceedings* before I can understand its full implication.

Hon. Mr. Argue: It was supported by members of the Conservative Party.

The Hon. the Speaker: I believe this motion requires only one day's notice, so the honourable Senator Argue is giving notice now that he will proceed tomorrow. I understand this is the case.

Hon. Mr. Argue: Yes.

Hon. Mr. Flynn: One day's notice is not tomorrow; a full day is required.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Mr. Flynn: If Your Honour rules that one day's notice means he can proceed tomorrow, I will withdraw my objection to Senator Forsey's request.

The Hon. the Speaker: In Senator Forsey's case two days' notice was required under the rules. This is the reason for the difference.

Hon. Mr. Flynn: Why? I do not see the difference.

Hon. Mr. Argue: One is an inquiry and the other is a motion.

Hon. Mr. Forsey: Mine was an inquiry.

Hon. Mr. Flynn: I cannot see the difference. I would like an expert to tell me the difference between the nature of the motion of Senator Forsey and that of Senator Argue.

[Hon. Mr. Flynn.]

The Hon. the Speaker: To answer the Leader of the Opposition's comment, I must say that the case of the honourable Senator Forsey would fall under Rule 44(2):

> A like notice is required of any inquiry not relating to a bill or other matter appearing among the orders of the day or on the notice paper.

That requires two days' notice. One day's notice is required under Rule 45(1)(h) which reads:

> for any purpose to which neither Rule 44 nor Rule 46 applies.

Hon. Mr. Flynn: I accept your ruling, Mr. Speaker, but I suggest that the chairman of the Rules Committee should look into this.

BANKING, TRADE AND COMMERCE

AUTHORITY FOR COMMITTEE TO MEET DURING SITTING OF THE SENATE WITHHELD

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(a), I move:

> That the Standing Senate Committee on Banking, Trade and Commerce have power to sit while the Senate is sitting tomorrow, Wednesday, 14th June, 1972, and that Rule 76(4) be suspended in relation thereto.

Hon. Mr. Molson: Explain.

The Hon. the Speaker: Honourable senators, there is a request for explanation. Would the sponsor of this motion answer it, since there must be unanimous consent?

Hon. Mr. McDonald: Honourable senators, the only explanation I can give is that it is a request from the chairman of the committee to have permission to sit tomorrow. To be more honest with you, it is my understanding that the chairman has a desire to deal with several matters which have been referred to the committee. In his judgment, which I respect, he will probably need all of Wednesday to deal with those matters. However, this is a decision that neither the chairman of the committee nor I make. It is for this chamber to decide whether we grant permission to the committee to meet while the house is sitting. That is the only explanation I can give.

Hon. Hartland de M. Molson: Honourable senators, I do not wish in any way to delay the work of the Senate or its committees. However, during the last session we had considerable discussion as to the desirability of explaining why we ask for the suspension of a rule. I do not think we are asking too much in this respect. As a matter of fact, the honourable Senator McDonald has given us a very valid explanation which, as far as I am concerned, is perfectly acceptable.

It is much easier to give consent when we know what we are being asked to do, rather than when we are merely asked to suspend a certain rule. I thank my honourable friend for the explanation he has given.

• (2020)

Hon. Salter A. Hayden: Honourable senators, as chairman of the committee concerned, I should explain that we

have organized our meeting for tomorrow and we have two of the experts who were with us throughout our sittings on the previous occasion. They are coming in here for the day. We may finish in the morning, but it is possible that our consideration might extend to the afternoon. I want to use their services for the full day because we are paying them for the full day. It seems sensible to use them to the full extent. I can assure you that the situation will not be prolonged beyond the point where we think we have gathered the information that we want.

Hon. Mr. Flynn: Would it be possible to decide that at two o'clock tomorrow?

Hon. Mr. Hayden: Oh, yes.

Hon. Mr. Flynn: We do not know what is going to happen in the meantime. It would be good if we could adjust our work so that those of us who would like to could attend the committee chaired by my honourable friend and also be here if there is something going on. Perhaps we could adjust the schedule in order to be able to attend both meetings. It might be better to suspend this decision, therefore, until two o'clock tomorrow. After all, there is no problem with regard to the committee sitting tomorrow afternoon. I am quite sure that the Senate will be willing, but I do not know what might happen in the meantime.

Hon. Mr. Hayden: I do not pretend to have an infallible crystal ball.

The Hon. the Speaker: Order, please. Honourable senators, it would appear that the microphone for honourable Senators Hayden and Bourget is not functioning. I understand the problem will be solved and the microphone repaired for tomorrow, but in view of that may I ask Senator Hayden either to speak louder or to use another desk.

Hon. Mr. Hayden: I believe I can make myself heard from here. There was a time when we did not have an amplification system.

All I can tell my friend Senator Flynn is that we have these two experts appearing tomorrow. They are thoroughly familiar with the recommendations we made. Our purpose tomorrow is to discuss those recommendations with them and to go over the bill, which is part of the budget, and to consider the extent to which our recommendations have been accepted or rejected. We will then attempt to analyze why there has been a failure to accept some, and prepare ourselves for the next step which is to discuss with the department concerned just why they have not accepted them.

I would expect with all the material we will have before us that we will be able to move along very quickly. There will be no oratory; at least I would not expect so. It is just a question of research and study and we will move along as quickly as we can.

We will meet the convenience of any of the senators who are members of the committee, and we will meet the convenience of the Senate so that we can be assured of a fair representation in the Senate at all times during the day. But, subject to that, this part of the job should be done as quickly as possible because we are moving against a deadline as indicated in the public press as to when Parliament may recess for the summer. Our committee should be ready with all the answers which it is entitled to have as to why certain of our recommendations were not accepted.

Hon. Mr. Flynn: Again the explanation given by Senator Hayden does not satisfy me entirely. Does he take for granted that these bills will have to be passed before the end of June? My understanding was that we were going to study these bills in the same way as we studied the tax reform legislation last year, that is, from a technical standpoint, and that we could go on considering this legislation even after the House of Commons had recessed or after the adjournment of Parliament, if you prefer that expression. Let me make it clear that I am not speaking now of considering these matters after a dissolution but after an adjournment, which is quite a different thing, as the government leader well knows. The reason I hesitate in granting leave to proceed tomorrow is that it is possible there may be some matter of great importance to discuss tomorrow afternoon. For that reason I might want to wait until tomorrow afternoon at 2 o'clock before granting leave to the committee to sit at the same time as the Senate is sitting. That is the only reservation I have about this motion.

Hon. Mr. Hayden: My friend is certainly entitled to raise that question. Certainly, even if permission is given now for the committee to sit tomorrow afternoon, if something should arise in the meantime which would require the attendance of all honourable senators in the chamber, then we would not pursue the right which we have to sit when the Senate is sitting. But the point I want to make is that we would like to become as well educated as we possibly can and as quickly as we possibly can quite apart from any consideration as to when the bill may come before us. I am not speculating in any way. I am simply saying that we should educate ourselves to enable us to deal with the bill whenever it comes before us. We should be educated as to what our position is and as to how far our amendments have gone. As I say, I am not speculating as to when the bill will come, but I am simply saying that we want to be in a position to deal with it at that time.

Hon. Mr. Flynn: Let me say that I am in full agreement with the objectives of the committee, and it is only the question of timing that is now at issue. Having regard to the assurance just given by the chairman of the committee I think we can adopt the motion.

Hon. David A. Croll: Honourable senators, I am not in agreement with this motion at all. As I understand the situation there are no bills and there will not be any bills arising out of the budget before the other house adjourns. What my friend, the chairman of the committee, is saying is that certain matters that were not accepted by the Minister of Finance should be once again urged. In my view that would mean using the committee for the purpose of bringing pressure to bear upon the government and the minister. That is not the function of a Senate committee, and particularly it should not be the intention of a committee of the Senate at the present time. It is a bad practice and one which should be discouraged.

If there is a bill, then we can discuss it no matter what form it comes in. But, as I have said, there is no bill. Therefore there is no purpose and there ought not to be

any purpose in bringing forward experts or alleged experts for the purpose of bringing pressure to bear upon the government. That is a great mistake and we ought not to agree to this course of action. I am not prepared to give permission, Mr. Speaker.

Hon. Mr. Hayden: Honourable senators, in connection with what my friend has said, may I point out that he seems not to appreciate that this matter is already in the hands of the committee, having already been placed there by the members of this Senate. We can proceed by the authority we already have to conduct hearings while the Senate is sitting. What I am saying with regard to tomorrow is simply this: it might be in the best interests of this house if we could proceed tomorrow afternoon as well as tomorrow morning. There is no question about our right to proceed in the morning. My friend is suggesting something about pressure groups, and I do not profess to know anything about pressure groups; my friend may have to educate me on that because if anyone is qualified to know what is meant by a pressure group he would be the expert in that field.

• (2030)

Hon. Mr. Croll: I think that is a fair statement, and I am glad this has come before the house. My honourable friend spoke about pressure groups, and I accept what he said. As far as I am concerned it would indicate a conflict of interest.

As soon as I can get a resolution on the Order Paper I will ask the Senate to investigate the possibility of a conflict of interest in this chamber in order that we may be clear where the conflict lies.

Some Hon. Senators: Hear, hear.

Hon. L. P. Beaubien: Honourable senators, I think we are talking a lot of nonsense. The Standing Senate Committee on Banking, Trade and Commerce is looking into a very complicated set of amendments to the Income Tax Act. What does this have to do with building up pressure? Someone has to know what these income tax measures mean. They have created all kinds of problems and they should be studied properly. The Senate must sit down and examine these questions to determine whether the changes we have suggested will be made. We would not have passed the bill if we had not been guaranteed that these amendments which we suggested would be seriously considered by the government.

What does this have to do with pressure groups? We are talking a lot of nonsense. We are dealing with technical points and I feel we need to determine whether the amendments we recommended are incorporated in the amendments to the Income Tax Act. This is all we want to do.

We will work in committee tomorrow morning. We are bringing a number of people here at great expense and if we need to sit in the afternoon I feel we should be granted permission to do so. If something should occur in the meantime and we feel that we should be here tomorrow afternoon rather than in committee, I am sure the chairman will be reasonable and act accordingly. Let us give him permission to proceed.

The Hon. the Speaker: Honourable senators, I must intervene at this point. The only matter before the Senate at this time is a request that the Standing Senate Committee on Banking, Trade and Commerce be given permission to sit tomorrow while the Senate is sitting. There was not unanimous consent so it must be left on the Order Paper for the next day.

Hon. Mr. Grosart: Honourable senators, I wonder if I might suggest a solution to this difficulty. If the Deputy Leader of the Government would give a day's notice rather than ask for leave, this might dispose of the matter more amicably.

Hon. Mr. Flynn: This is notice.

Hon. Paul Martin: Honourable senators, I would like to deal with one statement made by Senator Beaubien. I know that Senator Beaubien, who is a fair critic, would not wish to misstate the case. There was no commitment by the government to accept all of the amendments made by the Standing Senate Committee on Banking, Trade and Commerce.

The Minister of Finance said that he would give consideration to the Senate proposals and to the extent that they were acceptable to the government, they would be embodied in legislation. That is as far as he went. Some of the recommendations—

Hon. Mr. Flynn: I rise on a point of order. The Speaker has already disposed of this matter. In my opinion the honourable Leader of the Government is not entitled to start a debate on this point. The Speaker intervened while Senator Beaubien was speaking to this matter, indicating that he was out of order. I do not see how the government leader can be in order in refuting what has been said.

Hon. Mr. Martin: It is up to the Speaker to decide.

Hon. Mr. Flynn: I rose on a point of order for the purpose of finding out how His Honour the Speaker feels about this.

The Hon. the Speaker: I have already decided on the motion. There was no unanimous consent. I understand the government leader rose to correct an interpretation. However, only a point of order or a question of privilege would justify this. The matter has been disposed of and we are now dealing with the item Inquiries.

NATO

COMMITTEE MEETINGS AT BRUSSELS, BELGIUM, MAY 1972

Hon. A. Hamilton McDonald rose pursuant to notice:

That he will call the attention of the Senate to the NATO Committee Meetings held at Brussels, Belgium, 8th to 12th May, 1972.

He said: Honourable senators, I should like to begin my remarks this evening on perhaps a more harmonious note than that to which we have listened over the past five minutes or so. During the last few years, when I have been a member of the Canadian delegation to the meetings of NATO, I have had the privilege of serving with senators and members of Parliament from both parties represented in this chamber. Despite the fact that on many occasions there have been great differences of opinion between members of those two parties on a variety of

subjects, including national defence and foreign affairs, I for one greatly appreciated the fact that when the delegates, both Conservative and Liberal, were sent abroad to represent this nation they spoke with one voice. In the event that a delegate of any nation attacked a delegate or a policy of the Government of Canada, he attacked each and every delegate from this country, as a group and as individuals. I wish to thank my colleagues opposite in this chamber, and to congratulate them, together with our colleagues from the other place who sit to the left of Mr. Speaker, for having presented the views of this nation with a united voice and a united front.

In my opinion an outstanding part has been played by Canadian delegates to NATO meetings—both meetings of committees and of the Assembly. Of course, this is no better demonstrated than by the fact that for the second time in recent years a Canadian is chairman of the Assembly. Mr. Terrence Murphy, a member of the House of Commons, was elected to that post last fall. This, I think, is recognition by other member nations of NATO of the contribution made to the organization throughout the years by Canada.

The meetings that I attended in Brussels last May were committee meetings, preparing the work and agenda for the meeting of the Assembly which will take place at Bonn in, I believe, the month of November.

The spring meetings of the five standing committees are held on consecutive days, from Monday to Friday. All the delegates have an opportunity of attending each committee meeting, because they are held on consecutive days. This is not possible at the Assembly meetings in the fall because only two days are allotted for them and, of course, delegates are able to attend only those meetings of their own committees and the plenary session.

• (2040)

On a previous occasion, at the conclusion of my report to the house on NATO meetings, Senator O'Leary stated it was his impression that NATO had responsibilities outside the military and political arenas. He was absolutely right. In the past I have been more closely associated with the military committee than with the other standing committees, but this evening I should like to say a few words about some of the activities of NATO outside the military and political arenas. One committee to which I should like to refer is that on education, cultural affairs and information.

I had the privilege, while in Brussels in May, of attending one day's discussions of this committee which plays an important role in the total activities of NATO. Unless NATO is able to convince the taxpayers of member countries, through a program of education and information, that we must all meet the cost of the maintenance of peace in the world there will, of course, be no NATO because there would be no money to support NATO.

There is a continuing program of education and information, and NATO itself has done a good job in this direction. If I have one criticism, it is that the press, not only of Canada but of all member nations of NATO, seems to prefer to publicize murder, arson, rape, and other spectacular activities rather than the facts about NATO and information regarding its activities. The press of the western world must accept far greater responsibility in informing the public of NATO's accomplishments during its lifetime.

The main accomplishment of NATO is the fact that since its beginning the Soviet Union has been stopped in her tracks in her expansionist policies throughout Europe. We have had peace in Europe for the past 20 years and, in my humble opinion, we have NATO to thank for it.

I would ask the public press of this nation, as well as of the free world, to publish more information, particularly for our young people, on the expenditures necessary to maintain peace and, through a program of education and publicity, to convince the public of the part which NATO has played in preserving peace in our time. I shall have more to say about that later in my remarks.

A second committee which has played an important role in NATO is that on science and technology. One of our colleagues in the other place, Mr. Paul St. Pierre, who is a general rapporteur of this committee, has probably done more than any other delegate from any nation to promote the idea that NATO and the member countries must share some responsibility for pollution of the oceans and the atmosphere.

Three years ago, when Mr. St. Pierre was first charged with the responsibility of rapporteur, he spoke about conditions in northern Canada and our fear regarding pollution of the Arctic. He walked to a map on the wall and pointed to the large expanse of land and ice which belongs to Canada, and the eyes of many European delegates popped because previously they had had little or no conception of the extent of Canadian territory. He traced the shipping route, including that of icebreakers, through northern Canada, and the route of the *Manhattan*. Many European delegates were as astounded by the size of the area which is the responsibility of Canada, as they were by the information which Mr. St. Pierre gave regarding problems associated with oil spills in the area.

I extend my congratulations to Mr. St. Pierre for the part he has played in NATO. In no small way he has been instrumental in arranging the conference on pollution which is now taking place in Stockholm under the auspices of the United Nations.

As Senator O'Leary properly pointed out, NATO has many responsibilities other than in the military and political arenas.

A third committee is that on economics. Discussions this year, as in previous years, have centred on the monetary problems of the western world, problems associated with the support of NATO activities, and problems associated with trying to find a new monetary system to suit the needs of the western world in the 1970s.

I shall refer to the military and political committees as one committee rather than two. They are, in fact, two separate committees because, after all, a military decision cannot be made without taking into consideration the political effects of that decision, and a political decision cannot be made without consideration of the military effects. In recent years the military and political committees have met separately for one day, and, as a rule, a joint meeting is then held. During my remarks this evening I shall refer to the part played by each of these committees in the total operations of NATO.

A major consideration of NATO nations was the invitation to attend a conference on security and co-operation in Europe extended by the Soviet Union and her satellites several years ago. However, member nations of NATO were fearful of accepting the invitation carte blanche without testing the attitude of the Soviet bloc nations with regard to détente or without having factual knowledge of whether the Soviet Union and her satellites desired the conference for political purposes only. They wondered whether the Soviet Union and her satellites, in extending their invitation, were sincere in wishing to discuss some of our mutual problems in the hope that we might maintain security or détente in the future, and not use the conference as an instrument of political propaganda.

• (2050)

It was the feeling of the NATO nations, rather than going into a conference on security and co-operation in Europe, which would be attended by Canada and the United States, that perhaps they should start some talks on strategic arms. They asked themselves: Can we not consider this subject outside a European conference? Of course, you know the results. Discussions have taken place in SALT, and I think most of us came to the conclusion that this was a top level conference and nothing would happen. But only a few weeks ago while the President of the United States was visiting the Soviet Union he and the Premier of the Soviet Union finally signed an agreement on strategic arms limitations.

I am not so sure that the agreement that was signed could not be improved, but the fact that an agreement has been signed is a step in the right direction. I think it proves that there is a desire on the part of the Soviet Union and the Warsaw Pact nations as well as NATO to try to control to some extent the tremendous cost of defence as we have known it over the last 20 or 25 years. I repeat, progress has been made and this indicates that perhaps we should now enter into discussions of a security conference.

In addition to SALT, the NATO nations wanted some agreement on Berlin before entering into the general conference. Of course, we have had four-power discussions on Berlin, and an agreement has been signed. Again, I do not think any of us believe it is the best solution in the world, but it is a great step forward in solving the problems that have existed in Berlin ever since the end of the last world war. We have more access to that city now, and there is a freer movement of people between East and West Germany than there has been for many years. There has been progress, and again this indicates that the Soviet Union and the Warsaw Pact nations apparently are prepared to enter into negotiations which can prove fruitful.

At about the same time that the proposal was made for a European security conference, the Chancellor of West Germany, Willie Brandt, was making approaches to the Eastern European nations under his policy of Ostpolitik and talks have been successfully concluded with agreements signed between West Germany and the Soviet Union, Poland and East Germany. There are now better communications and a better understanding between West Germany, the Soviet Union, Poland and East Germany. The agreements have been ratified by the Bonn government, and progress again has been made.

[Hon. Mr. McDonald.]

It was also thought by the NATO nations that before entering into this security conference perhaps some approach ought to be made with respect to mutual balanced force reductions, or MBFR. Mr. Brosio, the Past President of NATO, was appointed by the NATO nations to make contact with the Warsaw Pact nations to see if some progress could be made in this area prior to a European conference on security. This proposal was turned down by the Soviet Union. Nevertheless, because of the progress that has been made in the areas I have just referred to, it is now agreed that there should be a conference on security and co-operation in Europe. I think the evidence which we have before us at the moment indicates that we can devise an agenda that would be mutually satisfactory to both East and West, and that a conference can be held on European security which will yield beneficial results to the peoples of the world.

It has always been the wish of NATO to bring about some détente with our potential enemy in Eastern Europe. The thing we had to prove to ourselves was that there was a genuine desire on the part of the Soviet Union and her satellites for détente. It now appears that the Soviet Union is no longer able to convince its people that it must continue to spend the huge sums of money and resources it has spent in the past on defence, and it must come to some mutual understanding with Western Europeans and North Americans with the view in mind of maintaining the security it has with smaller expenditures. One may feel tempted to begin a discussion of détente by expressing doubt about the long term intentions of the Soviet Union, especially in view of her constantly increasing military strength, and that of her satellite nations. What are the facts in this area?

In Central Europe, the relative land and air forces' capabilities of NATO and the Warsaw Pact have not changed appreciably over the period 1970 and 1971. The Warsaw Pact continues to be clearly superior in numbers. By introducing modern weapon systems the pact continues to improve the quality of its forces.

The NATO leaders' assessment of what they term "the threat" is as follows, if I may quote Mr. Luns, the present Secretary General of NATO, who on a recent visit to the United States said:

> It must be underlined that the overall objectives of the Soviet Union, even if they are presented in a more subtle way, have not changed. Far from reducing its overwhelming military might to a level more in keeping with the considerations of self-defence, the Soviet Union has embarked on an unprecedented program of military expansion and related research and development. Its military forces are in many instances the wedge for introduction of Soviet political influence.

And he added:

> In Europe, it can be expected that the Soviet Union will continue to seek dominance by maintaining a high degree of internal security, pushing for reduction of U.S. influence, and opposing western unification.

There is no doubt that the main aim of the Soviet Union is to get the United States forces out of Europe. One can understand why. Even today, 25 years or more since the end of hostilities in Europe, there are almost as many Americans there as there were at that time. The United

States is the only nuclear power in the world that has forces comparable to those of the Soviet Union. Naturally the Soviet Union would like to see that nuclear threat removed from Western Europe, but I would be fearful of the day when the nuclear umbrella of the United States was ever removed from Europe.

• (2100)

Certainly the Russians are opposed to western unification in Europe. They are not here talking about military unification; they are talking about the European Economic Community. I know full well that the Soviet Union would much prefer conditions in Europe to remain as they were at the end of the last world war, when the Soviet Union was able to expand westward by picking off small independent free nations and bringing them under their subjugation without a shot being fired. However, when NATO was set up and we obtained a unified military front, it stopped their western progress in its tracks.

We are now facing not only a unification of Western Europe in a military sense but, under the European Economic Community, a unification on an economic and trade basis from which we will have in the very near future one of the strongest, if not the strongest, blocs in the whole world. Naturally the Soviet Union is worried, not in a military sense but an economic sense, about the pressure that will be imposed on Eastern Europe by that great economic power that is developing in Western Europe. The addition of Great Britain to the European Economic Community will be a great step forward in its progress. I am as convinced today as I ever was that Britain will enter, that she has no option but to enter, and that Europe has no option but to see that she enters.

Rather than dwell on the economic changes that are taking place in Europe because of the development of the European Economic Community, I want to refer for a moment to this build-up of the strength of the Soviet Union that was referred to by Mr. Luns. One of the greatest areas of expansion in their military build-up has been in naval forces. During the last world war the navy of the Soviet Union consisted of small coastal vessels. They had no navy as such, and no fishing fleet or merchant fleet travelling the oceans of the world. But what is the situation today? This has all happened within the last 20 years, and most of the build-up has taken place since the Cuban crisis. In a few years the Soviet Union has become the second maritime power in the world, surpassed only by the United States. This achievement is the result of a rapid and balanced growth, in both quantity and quality, of the Soviet Union's naval forces, its merchant marine, its oceanographic survey fleet, and its fishing fleet. The purpose of this naval power has been defined by Admiral Kasatanov, the first Deputy Commander-in-Chief of the Soviet navy, as follows:

> The Central Committee has precisely defined the place of the Navy in the defence of the country, and has shown the way for the building of a modern ocean-going nuclear rocket fleet which is capable of solving strategic tasks of an offensive character in modern warfare.

I wonder why he used the phrase "of an offensive character in modern warfare."

In order to adapt to its present strategic role the Soviet navy has steadily expanded its activities and improved its capabilities, and some of the noteworthy features are as follows: The Soviet submarine fleet of about 350 vessels is the largest in the world. A growing number of these submarines are nuclear powered and nuclear armed. Each year approximately twelve new submarines are constructed, of which several are fitted with Polaris-type ballistic missiles. The Soviet Union graduates over 1,000 marine design engineers and naval architects each year, which is substantially more than any other country in the world.

The Soviet Union oceanographic research fleet is larger than all of the oceanographic fleets of the world combined. The Soviet fishing fleet, which is also the largest in the world, has up to date equipment such as the most recent fish factory ships which carry fourteen 50-ton vessels as a mothership, and which can be replaced by landing craft for amphibious operations. The Soviet merchant fleet comprises a greater percentage of modern ships than the merchant fleets of the West. Among them are about 80 large hatch-ships which could easily be adapted for military transport. Merchant marine tankers have been seen refueling Soviet fleet units in the Mediterranean.

But these technical features are not the only evidence that the Soviet navy is conditioning itself to its new role. Eight years ago the Soviet naval infantry, or marine corps as we would know it, was reconstituted. Its importance has been emphasized by its participation in May Day parades and numerous exercises. The force now comprises about 15,000 men. This shows the Soviet interest in developing all forms of maritime capability, including landing operations.

Today Soviet vessels are deployed as a matter of course over a considerable portion of the globe's surface, including the NATO area—for instance off Norway, in the North Atlantic, the Baltic, and the Mediterranean. More recently they appeared in the Indian Ocean, the Pacific Ocean and the Caribbean, areas from which they were previously absent. Combined with increased Soviet military supplies to Egypt, Algeria, Libya and other Mediterranean countries, these developments have created a new situation for the Atlantic alliance.

Many speeches have been made by admirals of the Soviet navy, and others in the Soviet Union, that are worrisome, to say the least, to those people who are charged with the responsibility of defending the free world on both land and the oceans of the world. Let me give a list of the marine forces that are now available to the Soviet Union, the significance of which, I think, was pointed out by Fleet Admiral Kasatanov a short time ago, when he said:

> Soviet missile carrying torpedo boats—

I emphasize "torpedo boats."

> —have greater striking power than any World War II warship.

A torpedo boat with modern armaments, being about 40 feet long with two diesel motors and a crew of five or six, could sink any battleship afloat today. Let us see how many of them they have deployed. They have well over 1,000 fast patrol boats, mine sweepers, and amphibious type vessels. They have a capability of, and in the Middle

East have been successful in, sinking ships many hundreds of tons their size. In addition to the patrol boats, they have deployed around the world today about 1,000 naval aircraft.

• (2110)

They do not have any aircraft carriers as we know them, but they do have helicopter carriers, two of which are in service at the moment. They have 25 cruisers, 100 destroyers, 100 escort destroyers, and about 350 submarines. These are supplemented by 50 light bombers, 300 medium bombers, 250 reconnaissance aircraft, 290 anti-submarine warfare aircraft, and 200 transports assigned to the navy. This build-up has all taken place, I repeat, in less than 20 years and the vast majority in the last 8 to 10 years.

Honourable senators, sometimes I wonder, when we talk about détente, are our friends on the other side of the Iron Curtain serious? We can sign agreements with them under SALT, with respect to Berlin, and with respect to the new relationship between West Germany and East Germany, Poland and the Soviet Union. On the one hand they indicate that they are prepared to talk and to enter into a period of détente, but on the other hand they seem bent on continuing to improve their capabilities to wage war not only at home but abroad.

The point I want to make is that if you are going to talk détente with the Eastern European powers, including the Soviet Union, then you have to speak from strength. There seem to be many people, not only in our country but in many Western European countries today, who feel that because we have had peace for 20 years it may be unnecessary to continue to spend large sums of money on armaments and on military forces. I am one of those who believe that we have to pay either the price for peace or the price of war. To maintain peace is costing a lot of money, not only to Canadians but to all people in the Western world. We are able to measure that cost as a percentage of gross national product, and in our nation it is a very small percentage.

A great friend of mine who recently passed away, Congressman Mendel Rivers, used to ask the nations of the Western world to contribute 5 per cent of their GNP for freedom. I was always prepared to back his request, because if you can buy peace and freedom for 5 per cent of your gross national product you are making a good deal. If you do not pay the price of freedom, then you have to pay the price of war. NATO has brought us a long period of peace and security in Western Europe and, through Western Europe, to most of the world. I repeat that if you can purchase peace for 5 per cent of your GNP—and we are purchasing it for less than half of that—it is a good deal.

What is the price of war? You cannot measure it as a percentage of GNP. If we became involved in another world war, it would take the whole of our GNP. But that would not be the total price. What about the destruction, the suffering and the loss of human life throughout the world? Can you measure that in terms of GNP? There is no way.

When I listen to some young people—and some not so young—belittling NATO and the efforts they have made and the money they have spent, I wonder how many of them have visited a military hospital recently. Many of the patients have been there since World War I, and many more were added during World War II. Can you measure the price that they have paid as a percentage of the GNP? There is no way to do so.

There are two things you can be sure of in life: death and taxes. As regards freedom and security, you have an alternative: you can either pay the price of freedom and maintain peace, or you can refuse to pay it and pay for war. I do not think anyone would hesitate in making a choice.

Honourable senators, I challenge the news media to tell the Canadian public why we have maintained peace and freedom. We invited the news media of this nation to come and attend the NATO meetings. The Canadian government offered to fly them from Ottawa to Brussels and back, letting them pay their own hotel bills and living expenses. But none came, not even from that great organization the Canadian Broadcasting Corporation—not one.

But we have a conference in Stockholm on pollution and we have plane loads of media representatives over there. Pollution is a very great danger to all peoples, but it will not bother us very much if this old world is unable to maintain peace.

I repeat to my friends in the press gallery, and to the people who pay their salaries, that it is about time they gave a little more publicity and support to this organization which has maintained peace for over 20 years in Europe. If we give NATO the tools, I am confident they can continue to maintain peace in the foreseeable future. If we let down our guard and do not maintain organizations such as NATO, we will not have an opportunity to pay the insurance premium for maintaining peace. We will pay a much greater price in dollars and human suffering.

National defence, like everything else, costs more money every day. When the military ask for more money, it reminds me of the chief of the fire brigade in a little town in Saskatchewan. He was chief for about 20 years and they never had a loss of life or a major fire. One day he went to the town council and presented a case for a new fire engine. The council asked why he needed it, since there had not been a major fire in 20 years. He replied that one reason was that there was a good fire department and good firefighting equipment, but that the fire engine was worn out now and a new one was needed.

• (2120)

Well, the same thing is true of NATO. Simply because we have not had a war for 25 years is no reason to say to the organization that has put us in that position, "Well, we don't need your services any longer and you don't need any new, sophisticated and modern equipment." One position is as logical as the other.

However, the costs involved today are almost prohibitive, and I should repeat that I am convinced that the Warsaw Pact nations and the Soviet Union are finding the same thing. They can no longer continue to pay the masses of money necessary to produce the modern equipment in the numbers that they have been over recent years. I am convinced that the people in Eastern Europe have come to the conclusion that they want some of the

finer things of life. They want automobiles. They want refrigerators. They want air-conditioned homes. They want mixmasters, toasters, vacuum cleaners and so on just in the same way as our people do. Thank God they do, because the day the Soviet Union and her satellite nations begin to meet the domestic demands of their own people, that will be the day they will no longer be able to meet the costs of maintaining millions of men under arms with modern equipment.

Just to give you some idea of the costs involved today, one aircraft costs about the same amount of money as it would have taken to equip a whole squadron 20 years ago. One compared to 20! A destroyer today costs more than a battleship did during the last world war. A tank costs ten times as much as it did at the end of the last world war.

As a matter of fact, when I was in West Germany not too long ago I was informed that the tanks they were using when they first came into NATO cost on the average about 250,000 West German marks apiece. There are about three West German marks to the dollar. The tank which will replace the one they have in their armed forces today will cost 1,800,000 West German marks.

It costs a lot more today for personnel. Salaries have gone up and training costs more. There is a big difference between driving a tank that has an engine, a gear shift and a gun sight and driving one that is completely electronically controlled. But today there is all of the sophistication of the electronic industry to be found in each tank, aircraft or ship. So not only do the machines cost more but it costs more to train the personnel to operate them. Moreover, it costs more to house troops and to feed them than it did a few years ago.

Everything is computerized. One of the most highly computerized industries in the world today is that of the armed forces. Every tank, aircraft and ship, every vehicle, every piece of armament today must have a night capability. You must be able to perform the same functions in darkness as you can in daylight, which means that you must have a target approach system. You must have infrared sensers. You must have television.

You have read in the press recently, no doubt, where they even put television into the bombs themselves. You put the target on the television screen right in the end of the bomb and the bomb is guided onto the target. Imagine how much more that must cost compared to the old kind of bomb made of a chunk of steel with explosives which was dropped over the side of the aircraft. No wonder they need money. But I repeat that we either give it to them or we pay a hell of a lot bigger price, and not only in dollars and cents.

Another aspect of this question is that the services today must compete with industry in recruiting its personnel. You cannot go out and recruit people the way you could 25 or 30 years ago. We are living in a technological age. Young men and women want the finer things of life, things they can get from working in industry and business. If you are going to recruit them into the armed services you must be able to compete. That costs a lot of money.

Things are not quite the same on the other side of the Iron Curtain. Certainly, to equip their armed services it costs much the same as it does here because their equipment is similar to ours, but when it comes to personnel that is quite a different story. For instance, in the space needed to house 20 NATO seamen in bunks, the Russians would place 20 Russians in hammocks, which costs a lot less money. Our ships are all air conditioned. Theirs are not, despite the fact that they are cruising in equatorial waters in extreme heat. But they don't need it. They are tough. They are not competing with industry for personnel. Behind the Iron Curtain you are told to be in the services and that is where you are. You don't argue. Either you are there or you are nowhere.

Again in the Soviet Union the troops work in the northern regions as far north as Murmansk. They live in uninsulated barracks with virtually no heating. Could you do that with Canadian, American, British, French or Dutch troops? You would have a rebellion on your hands.

And what about pay? A seaman in the United States Navy is paid about $288 a month. Do you know what his counterpart in the Soviet Union is paid? Seven dollars a month. A chief warrant officer in the United States Navy receives $700 a month. His counterpart in the Soviet Union receives $55. A captain in the United States Navy receives $1,000 a month. A captain in the Soviet Union receives $65 a month.

The significance of these figures is that in NATO countries 60 per cent of the total defence budget goes in salaries, pensions and costs to manpower. In Canada it is even worse. Eighty per cent of our defence budget goes into the costs of personnel. But in NATO, as a whole, it is 60 per cent. On the other hand, in the east European countries, in Russia and her satellite countries, only 20 per cent of the total defence budget goes into salaries, pensions and so on. You can see from that that we have little left in our defence budget for capital expenditures in comparison to what our potential enemies have at their disposal.

Because of the sophistication of modern weapons, the soldier, airman or seaman of today must be either a professional or at least an individual who is prepared to give four or five years of his time to the services. This is so because you cannot train men or women to use the sophisticated equipment available today in any less time than that and still have a period of their services when they are fully trained and are of full value to you.

Let me repeat again that the costs have been great and they will increase, but you can only deal with a potential enemy through strength. I think that the détente certainly requires mutual good will, cool heads and sometimes, perhaps, unconventional thinking, but above all it requires patience.

• (2130)

Some of us, I think, were almost out of patience during the negotiations concerning SALT and Berlin, but we have seen that if we keep at it we finally make progress. However, we must keep up our guard while these negotiations are taking place, and we must be patient. I think the main objective of the European conference and discussions on mutual balanced force reductions is important because we hope to be able to reach and maintain a balance of power, but at reduced strength and reduced cost. The thing we must all remember is that as a result of these expenditures for NATO, and for defence purposes

generally, we have been able to maintain peace. Surely the price we have paid for that peace is not too great when compared to the price we would have to pay for any alternative.

The Hon. the Speaker: This inquiry is now debated.

RULES OF THE SENATE

PROPOSED AMENDMENTS—QUESTION

Hon. Hartland de M. Molson: Honourable senators, I should like to ask the Leader of the Government if he has given any serious consideration to the letter I wrote to him on June 9 last in which I suggested, because of the wide variety of changes proposed for the consideration of the Rules Committee, and because of the fact that any decisions reached would affect this chamber and each individual member of it, that we should meet tomorrow in Committee of the Whole to discuss the amendments to the rules.

Hon. Mr. Martin: Yes, honourable senators, I have. Senator Molson was kind enough to call me this evening at 7 o'clock. I was busy all day, and I asked Senator McDonald if he would discuss this matter in a preliminary fashion with Senator Molson. Senator McDonald hoped to do that, and I believe he still hopes to do so before the end of this day. But, as you are aware, honourable senators, Senator McDonald had another preoccupation, which has resulted in the vigorous and outstanding speech he made tonight.

I have given some consideration to this matter but I have not come to a conclusion. I shall not say that I am opposed to the idea but I wonder if, in considering questions having to do with amendments to our rules, a discussion in Committee of the Whole at this stage is the most effective way of proceeding. I have some considerable doubts about it but, of course, I am just expressing my own personal view. In any event, I think it will be necessary for the committee to meet and to have some preliminary discussion. My own experience of committees is that they are usually more productive in the preliminary stages than a general debate.

I have had an opportunity of reviewing a discussion of the rules which took place in the Senate some years ago, and I do not think that one could describe the record of that debate as being anything more than confusing. I asked some of the officials to obtain that record, and I had hoped to be able to give it to Senator McDonald to enable him to discuss the matter.

As I say, I have given consideration to Senator Molson's letter. I hope there will be further discussion, and that we will be able to decide on the wisest course to follow in dealing with this matter.

Hon. Mr. Grosart: Honourable senators, I wonder if I might ask a supplementary question? When will the Leader of the Government render a decision on this matter in view of the fact that there is already a conflict between the prospective date of the meeting of the Rules Committee and another very important committee of the Senate which will discuss the main Estimates?

Hon. Mr. McDonald: Honourable senators, I see from the notices of committee meetings that three meetings have been scheduled for Thursday next. The Standing Committee on Standing Rules and Orders, the Standing Senate Committee on National Finance, and the Standing Senate Committee on Legal and Constitutional Affairs are all scheduled to meet at 10 o'clock in the morning. I had hoped to speak with Senator Molson to see if it is possible to adjust this schedule so as to resolve the conflict that arises when three committees meet at the one time.

Hon. Mr. Flynn: The same situation prevails tomorrow morning. The Standing Senate Committee on Banking, Trade and Commerce and the Standing Senate Committee on Legal and Constitutional Affairs are meeting at the same time.

Hon. Mr. Martin: What about tomorrow night?

Hon. Mr. Grosart: Let us do that.

Hon. Mr. McDonald: I should like to discuss this matter with the chairman of the Rules Committee to see if we can agree on a date and time that will be satisfactory to all concerned.

Hon. Mr. Molson: May I ask my honourable friend what he means by that? Does he mean that the meeting of Rules Committee should be postponed so that the other committees can proceed?

Hon. Mr. McDonald: No.

Hon. Mr. Molson: Then what is meant by the words "satisfactory date"?

Hon. Mr. McDonald: What I should like to arrange is a time when we would not have two other committees meeting, perhaps tomorrow afternoon after the house rises. I would prefer to have that committee meet at a time when other committees are not meeting.

Hon. Mr. Molson: My honourable friend will remember that I tried to call a meeting last week. This committee was the first to arrange a meeting for Thursday. It is surprising to me that he should now want to discuss the matter of rearranging our schedule in order to facilitate the meetings of other committees.

All committees of the Senate have serious responsibilities—there is no argument about that—but I have tried to point out on several occasions that the Rules Committee is different because if a rule is changed every member of this chamber, and every member of the staff of this chamber, is affected. A decision on something connected with foreign policy, or with banking, trade and commerce, of course has enormous significance and is extremely important, but it does not affect the habits and performance of all members of this house.

The last time certain matters were referred to the Rules Committee it spent a great deal of time considering them, and eventually presented a report. My honourable friend was one of those who said that he could not understand the reasons for that report. He had not been at the meeting of the Rules Committee, and he found it difficult to understand what was proposed in the report. I point out that we had specifically announced the meeting of the committee, and we had asked every senator who could possibly attend to do so, because all honourable senators have an interest in the deliberations of that committee. The result was that the report presented to this chamber

was referred back to the committee, and is one of the items for discussion at its next meeting.

If that is going to happen again—and it can easily happen for the reasons I have tried to give—then everyone has a vested interest. It would be much simpler to agree on suggested amendments—and I have had suggestions from both sides of this chamber—when every senator has expressed his opinion and, if necessary, voted on them. However, it is extremely frustrating when the committee goes to work, and presents a report that is not dealt with.

• (2140)

Hon. Mr. McDonald: Honourable senators, I have no desire to debate this matter with my honourable friend. However, let us be reasonable. I do not expect that the Rules Committee will have any witnesses appearing before it, but I presume there will be witnesses appearing before the National Finance and the Legal and Constitutional Affairs Committees.

It has come to my attention that if we need to change the hour of meeting of one of these committees, it would be easier to change that of the Rules Committee. I have no ulterior motive. If we can change the time of one of the other committees that is fine; I could care less. When my friend talks about bringing in a report, that is one thing, but the request he has made is totally out of order. The chairman of the Rules Committee, or any other chairman, cannot place his committee's responsibility on this chamber. If the subject matter of a committee is to be referred to the chamber, fine; it is an excellent suggestion.

There are two ways by which this can be done. One is for the committee to meet and decide that this be done. The other way is for the committee to proceed with its responsibilities, and make its report. Then each member of the Senate would have an opportunity to study the recommendations of the committee. However, I do not feel you can say that this matter is going to be considered in Committee of the Whole rather than in the committee itself. The committee members must meet, and in their combined wisdom make a decision. You have to use one approach or the other. I have no desire to interfere in any way. I want to co-operate with honourable senators so that we can accomplish our tasks to the best of our ability.

Hon. Mr. Grosart: May I ask a further supplementary question? Is there no mechanism for avoiding the conflict of committees meeting at the same time? After all the problems that have been created, is there still no clearing house? Can a chairman of a committee call a meeting for a certain time without regard to the meetings of other committees which may have been called for the same time?

I am speaking about the management of the affairs of this house which is becoming a disgrace. Surely this is a perfect example of conflict in the times of meeting of important committees, because some senators are members of all three committees. We are faced with a situation where we receive notice at the last minute that three committees are to sit simultaneously on Thursday morning. I suggest this is a great discredit to those who have the management of the affairs of the Senate. Do we have a mechanism to avoid this conflict? If not, will we have tomorrow morning?

Hon. Mr. Martin: Honourable senators, Senator Grosart's questions are always searching and they always have an element of the unusual about them. However, in this case, I think we will all recall this is not a new question. As long as we are prepared to have all committees meet on Wednesdays and Thursdays, with the exception of the Standing Senate Committee on Foreign Affairs, there will be this confusion. There is no reason why committees could not meet Tuesday morning, Tuesday afternoon, Wednesday morning, Wednesday afternoon, Thursday morning, Thursday afternoon, Thursday evening, or on Friday. Senator McDonald has looked after this matter, and I do not agree for one moment that there has been any mismanagement. He clears these matters with all chairmen, and they clear them with him. Instead of suggesting mismanagement, I think we owe a great debt to Senator McDonald—

Hon. Mr. Flynn: For his patience in listening to you.

Hon. Mr. Martin: —in meeting the obligations of the various committees within the two days which have been allotted.

I thank the Leader of the Opposition for that brilliant interpolation.

Hon. Mr. Flynn: The charge of mismanagement is not against Senator McDonald. It is against you. I have repeatedly told you that we never know where you are going. Every time we try to arrange something which is sensible you are always in the way. Our first priority is to adjust our rules so that we know where we are going. We need to get away from this Tower of Babel you have created.

Hon. Mr. Grosart: May I ask another supplementary question? Will the Leader of the Government answer my question?

Hon. Mr. Flynn: You must be kidding.

Hon. Mr. Molson: Honourable senators, I am sorry that it took so long to receive an answer to my letter to the Leader of the Government which he should have received yesterday morning, and that Senator McDonald should feel grieved that he had to reply to it. He has indicated that my suggestion is completely out of order. I thank him very much. Now I have an answer to my letter, and I hope we can carry on with our business.

THE ECONOMY

EFFECT OF HIGH RATE OF UNEMPLOYMENT AND INFLATION—DEBATE CONCLUDED

The Senate resumed from Thursday, May 18, the adjourned debate on the inquiry of Hon. Mr. Welch, calling the attention of the Senate to the high rate of unemployment and inflation and the way in which they presently affect the economy of Canada.

Hon. M. Grattan O'Leary: Honourable senators, I had intended to speak on this motion. However, after listening to the delightful interchange between these two Maritimers I discovered they were mainly concerned with troubles in the Maritimes. I do not think, after sober second thought, I could make any useful contribution to this debate, and I respectfully request that this inquiry be dropped from the Order Paper.

The Hon. the Speaker: If no other honourable senator wishes to speak, I declare this inquiry debated.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, June 14, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

CRIMINAL LAW AMENDMENT BILL, 1972

REPORT OF COMMITTEE

Hon. J. Harper Prowse, Chairman of the Standing Senate Committee on Legal and Constitutional Affairs, reported that the committee had considered Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Keith Laird: Honourable senators, with leave, I move third reading now.

Hon. Jacques Flynn: Honourable senators, this bill received a good deal of attention in committee. We had two sittings and considered every aspect of it. Generally speaking, I think all provisions of this omnibus bill are acceptable to the large majority of the Senate and the members of the committee, except one provision that I dealt with on second reading, the amendment to section 9 of the Criminal Code dealing with the appeal from a conviction for contempt of court committed in the face of the court.

I want to be clear. I do not say that everyone was in agreement with everything in this bill. In committee some objection was taken to the idea of having to deal with an omnibus bill involving many principles, and having only one vote to bring into force such varied amendments as those relating to skyjacking, the abolition of corporal punishment, contempt of court and other matters. Honourable senators will remember what Senator Molson's position was on corporal punishment. This morning in committee Senator Fergusson objected to the fact that we had to deal with this omnibus bill and had to vote for amendments that we did not favour because we favoured other amendments in the same bill.

• (1410)

The disagreement this morning was merely about a provision in clause 4 which would allow an appeal from a conviction for contempt of court committed in the face of the court. The idea behind the present wording of the Criminal Code is that when a contempt of court is committed in the face of the court, the judge's word should be accepted. The problem of whether or not there really was such a contempt committed in the face of the court should not be discussed on appeal, but only whether the sentence imposed was too harsh and should be reduced.

The Canadian bar and the bar of Quebec have suggested to the Department of Justice to allow an appeal from the conviction as well as from the sentence. The amendment which is embodied in this bill will do that.

As I said when we discussed this bill on second reading, the problem is that this amendment comes at a time when in some of our courts a systematic use of contempt of court is being made for political purposes or, if not for political purposes, at least to undermine the authority of the court. I had some reservations, and I know that I am not alone in this group, about the timing of this amendment. It seems to me that we risk seeming to support those who abuse or who could abuse the possibility of an appeal from the contempt of court committed in the face of the court. I know that many members of the supreme courts or superior courts of this country are worried about the principle and also about the way that this problem is dealt with in this Bill C-2.

Their main preoccupations were, first, that they would not want to be in a position to be called as a witness before an appeal court, especially where the contempt of court would take the form of a gesture which could not form part of a written record. Another point was the idea advanced a long time ago that we really should provide the judge, when the contempt is committed in the presence of the court, with a cooling-off period, as they say. This would also give the accused time to reflect on his gesture before a decision was made and sentence was passed.

My amendment will provide machinery ensuring a cooling-off period and will provide machinery enabling the appeal court to deal with the problem of the conviction without having to have the judge take the stand before the appeal court in opposition to the accused. This is the amendment which I proposed in committee this morning. I will read it to you and then I will make my motion. I hope I will not have to repeat the whole thing.

I have proposed that clause 4 of Bill C-2 be amended so that the proposed subsection 9(1) of the Criminal Code would read as follows:

> 9. (1) Where a court, judge, justice or magistrate charges a person with a contempt of court committed in the face of the court, he shall describe the facts upon which he bases his charge and shall invite the person so accused to justify his behaviour at a sitting to take place not sooner than the following day.
>
> (2) At any such sitting, the court, judge, justice or magistrate shall ensure that the facts upon which the charge is based and the justification offered are made part of the written record, and if, in his opinion, the person charged with the contempt failed to justify his behaviour, he may then summarily convict such person of the contempt.
>
> (3) Where a person is summarily convicted for contempt of court, whether committed in the face of the court or otherwise, and punishment is imposed in respect thereof, that person may appeal

(a) from the conviction, or

(b) against the punishment imposed.

(4) An appeal under this section lies to the court of appeal of the province in which the proceedings take place, and, for the purposes of this section, the provisions of Part XVIII apply, mutatis mutandis.

(5) The hearing of such an appeal shall be given priority by the court of appeal.

Let me summarize the results of that amendment. The first paragraph provides for the description by the court, the judge, justice or magistrate of the facts upon which the charge is based. Therefore, we know exactly why the judge considers that a contempt of court has been committed in the face of the court. We know exactly what the problem is.

The second principle involved in paragraph (1) is that the accused is given the opportunity to justify his behaviour. You may recall that that principle is explicitly provided for in the Civil Code of Procedure of the Province of Quebec. And I might point out that the timing is of the essence here, because it is provided that the justification will be offered not sooner than the following day. That delay of 24 hours permits the judge to cool off, if he is a bit—how would you say it?

Hon. Mr. Choquette: Hot under the collar.

Hon. Mr. Flynn: Yes, hot under the collar. It also gives time to the accused to prepare an adequate defence, if he has one. And I said, "not sooner than the following day." It could also be later depending on the circumstances of the trial and the atmosphere in which the contempt of court took place. This period would allow the judge to take all the circumstances into consideration before determining the date on which the accused would be called upon to justify his behaviour.

• (1420)

The second paragraph, as has been mentioned in committee, deals more with a problem of procedure than anything else, but I think it is a very important problem of procedure inasmuch as it deals with this question: if there is an appeal, on what basis will the court of appeal decide? It is provided here that:

> . . . the court, judge, justice or magistrate shall ensure that the facts upon which the charge is based and the justification offered are made part of the written record. . . .

There will be a record in which the judge will say, "You have said this" or, what is more important, "You have acted in such a manner that I shall find you in contempt of court if you are not able to offer an adequate justification."

In justification, the following day or any other day, the accused may say, "Well, I suggest that I should not be found in contempt of court for the following reason . . .". This will all be made part of the written record and then a decision will be made by the judge or magistrate in which, let us say, he finds the person guilty of contempt and passes sentence. Then there arises the problem of appeal. The person sentenced has the right to appeal from the conviction and/or the sentence. This is the main thing that was provided for in the bill. Now, we know that, if he appeals, the court of appeal will be able to have a complete record and will not have to call upon the judge to testify, or the accused, to find out what really were the circumstances of the case in the court below before deciding whether they should quash the conviction. It would also be very helpful, I suggest, in a case where they would want to reduce the sentence. That is dealt with in paragraph (3).

As far as paragraph (4) is concerned, it is exactly in accordance with the existing provision, that is to say that an appeal is provided for in accordance with the provisions of Part XVIII.

This morning the Minister of Justice appeared before the committee and I would say that he was not entirely opposed to the amendment that I proposed. He suggested that possibly it was not necessary in that it was up to the judge not to make a decision right away so as to give the accused time to justify his behaviour, and so on and so forth. But the fact remains that up to now this has not been the case very often, and I think it is essential, if a cooling-off period is desired, that the law should provide for it. The minister also said that he thought that in some cases it would be useful for the judge not to have to wait until the following day to hear the justification of the accused. Let me say, with all due respect to the minister, that I do not think he was very convincing in the arguments he put forward in connection with the continuation of the trial or the proceeding already under way. Unless there was a problem of contempt of court on the part of the lawyer for the defence or possibly the lawyer appearing for the Crown, I do not think that it would serve any purpose for the judge to make a decision right away. He might as well adjourn the matter until the following day.

To sum up the objections of the minister to this procedure, I would say he is not convincing. With regard to the procedure whereby all facts upon which a charge is laid should be made a part of the written record, as well as the justification offered, the minister suggested that it was possible for the courts or for the minister under the powers granted to him by the Criminal Code to establish rules. He was not entirely certain about this matter. He offered this opinion off the cuff.

Since listening to the minister this morning I have had occasion to discuss this matter with some senators who are lawyers. They have doubts regarding the power of the minister to establish such rules as would be provided by subsection 9(2) of my amendment. There is considerable doubt regarding the power of the minister or of the courts, through their rules of practice, to deal with this matter in any event. If the courts had this power, we would have a set of rules in Quebec which would be different from those in Ontario, the Atlantic provinces, or the western provinces. I do not think this would be a satisfactory situation.

Finally, as you may remember, the last paragraph provided that the appeal be given priority by the court of appeal. An opinion was expressed that this should be dealt with promptly, let us say within a matter of 10 days. I agree with this suggestion, but I was not sure whether it should have provided for a precise delay. However, this is not the essence of the amendment. This is merely mentioned for the information of honourable senators.

As I indicated earlier, under present circumstances we have to be very careful that we do not undermine the authority of the courts. We have to ensure that members of the judiciary do not interpret the legislation which we have been invited to pass as condemnation of actions which the courts have taken in recent cases in Quebec when, I would suggest, anarchists who do not believe we should retain our present democratic system have been abusing the contempt of court provision of the Criminal Code. I feel Parliament should make clear that it is not siding with these anarchists and against our judges. After all, our judicial system probably enjoys the best reputation of any system existing in the world today, at least in any democratic country. I would suggest that the minister has no fundamental, legal objection to this amendment. He expressed some doubts about it. However, I think this amendment would serve to reassure not only members of the judiciary but the public as well that Parliament stands on the side of our judicial system, and it supports those who desire to maintain a peaceful, democratic society.

• (1430)

Honourable senators, I move, seconded by Senator Choquette, that this bill be not now read a third time, but that it be referred back to the Standing Senate Committee on Legal and Constitutional Affairs for amendment as follows: that clause 4 of the bill be abrogated and replaced by—I have already read this and I hope that the reading of it again will be dispensed with.

Hon. Senators: Dispense.

Hon. Mr. Flynn: Thank you.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Laird, seconded by the honourable Senator Carter, that this bill be now read the third time.

In amendment, it is moved by the honourable Senator Flynn, seconded by the honourable Senator Choquette, that this bill be not now read a third time but that it be referred back to the Standing Senate Committee on Legal and Constitutional Affairs for amendment as follows—

Hon. Mr. Flynn: Dispense.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion in amendment?

Hon. Mr. Martin: No.

Hon. Keith Laird: Honourable senators, I have a great deal of sympathy with the point of view expressed by the Leader of the Opposition. Let us be frank about it. For two fundamental reasons I do not accept the proposition that we should refer this bill back to committee for amendment. The evidence of the minister and from other sources is that this problem, which is very real, will be carefully considered by the Law Reform Commission and, it is hoped, by the judges. If that is so, I consider it to be the best manner in which to proceed.

The second fundamental reason for my not just gladly accepting the amendment, but urging the passage of the bill, is that some degree of urgency attaches to the problem of hijacking aircraft. It is true that one man at least was sentenced to jail for a long period for hijacking. However, as I pointed out originally, hijacking as such is not provided for as an offence in the Criminal Code. The Canadian Air Line Pilots Association, we were informed this morning by Senator Goldenberg who spoke with them, are most anxious for passage of this law. Of course, it is in support of two conventions, in connection with which each country participating has agreed to pass legislation of this type.

Therefore, with some reluctance I must say that I cannot agree to the amendment and would urge this house to reject it and to pass the bill.

Hon. Eugene A. Forsey: Honourable senators, I rise to say that I entirely agree with the arguments put forward by the Leader of the Opposition. I in my turn am not impressed by the objection just made by the honourable Senator Laird. It seems to me that in principle probably every member of this house agrees with the amendment proposed by the Leader of the Opposition. I find it very difficult to believe that if the committee amended the bill in the manner suggested there would be any great difficulty in getting it through the other place in jig time. I am not impressed by this argument about hijacking. I think the matter which Senator Flynn has raised, the difficulties which he has raised and the importance of the point that he has made about the support of the judiciary, especially in the conditions which are prevailing now in the Province of Quebec—and they may happen anywhere else tomorrow—these points are so important that I propose to support the amendment which I hope will be put to a vote by the Leader of the Opposition.

Hon. Salter A. Hayden: Honourable senators, I had intended to speak on this bill in committee this morning, but I was otherwise engaged and could not attend.

There is a point in this bill which follows along the lines developed by the Leader of the Opposition. It is the question of appeal. This is a summary conviction matter. It is so stated in clause 4 of the bill.

The procedures for taking an appeal from a summary conviction are specifically set out in the Criminal Code, and notice of appeal must be served within 15 days. Time is provided under the rules of the province for completing the appeal, and in the ordinary way the appeal should be completed within the following month in order to be listed for the following month's sittings. If the appeal is not ready, there are provisions under which one can defer it further.

There is no provision in the bill, or in law, which would permit that 15 days' notice of appeal to be changed. It is statutory. I understand there was some development of this point this morning, and the suggestion was made that provinces have authority to make rules in connection with criminal appeals. That is quite true, but it is in relation to appeals from indictable offences.

In Ontario, for instance, we have criminal appeal rules in relation to indictable offences where rules enacted by the province, and by a convocation of judges in the province, may provide for the procedure in connection with appeals. However, there is no such flexibility with appeals from summary convictions.

Under this bill, an appeal from conviction for contempt in the face of the court cannot be brought within less than 15 days, the period within which to serve notice of appeal. If there is one type of offence which, in the interests of the

administration of justice, needs to be dealt with as promptly as possible, it is contempt in the face of the court. This includes boisterous behaviour, wilful misconduct, swearing at the judge, challenging his authority, refusing to obey his directions, and generally creating turmoil in the court.

I recognize that there are other things involved in contempt in the face of the court, and I do not propose to deal with them at this time. A witness might refuse to answer a question, and give as his reason the explanation that it was on the advice of his lawyer. In such a case I strongly believe there should be a right of appeal from the conviction, because there may be some grounds upon which the witness would be justified in taking that decision, and for the judge to threaten him with contempt unless he answers the question, no matter what the legal advice may be, is, in my view, to behave improperly. There is a judicial decision on this point. I am addressing myself particularly to contempt in the face of the court. We have had some instances of this in our courts, I regret to say. Of course, in the United States it is almost becoming a standard form of procedure.

• (1440)

If a trial judge records a conviction for contempt of court and the person convicted then has 15 days within which to file notice of appeal, the whole administration of justice will be completely interfered with until such time as that appeal is disposed of. In my view the issue is a very simple one: whether or not it is a proper conviction for contempt. It is something that does not require any great length of time to deal with. The notice of appeal in those circumstances should be reduced to a very limited period. The preparation of the necessary material could be quickly dealt with.

My submission to the Senate is that the time for filing a notice of appeal in these cases should be very short, perhaps five or six clear days following the date of conviction. Within two clear days after that, the judge commissioned to deal with the appeal should hear and dispose of it. Thus the ordinary progress and administration of justice would not be interfered with.

You could have a series of contempt charges if some person is wilfully misbehaving himself in the face of the court simply to embarrass and to delay the procedure in the court. The proper administration of justice, the decorum and dignity in the conduct of court proceedings, is the responsibility of the judge. If we take away his real authority by providing appeals from these charges, then we will be interfering very substantially with that role. It is something that we should seriously reflect on.

This is what I wanted to say in committee this morning, but I did not have the opportunity as I was presiding at another meeting. I feel strongly on that point. I agree that there is a lot of ground for granting a right of appeal from a conviction of contempt in the face of the court. However, you cannot specialize and say, "There will be no right of appeal if your conduct is boisterous and you are wilfully disobeying orders of the court," et cetera. So, generally, a right of appeal is provided. The way to control the situation is to limit the time that this can continue without there being a final disposition of the matter. I feel the right way would be to provide a limited period of, say, five clear days from the date of conviction for notice of appeal. The appeal itself should be to the Chief Justice of the trial division of whatever the province may be, or to a judge directed by him to hear the appeal.

If this procedure were followed there would be no possibility of a notice of appeal allowing 15 days for service, during which time many other instances of misbehaviour in court could occur by people reckless enough to indulge in that type of practice.

Having that in mind, I feel the matter should be further considered by the Standing Senate Committee on Legal and Constitutional Affairs, and therefore I support what the Leader of the Opposition has said.

Hon. Mr. Martin: Question.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator Laird, seconded by the honourable Senator Carter, that this bill be now read a third time.

In amendment it is moved by the honourable Senator Flynn, seconded by the honourable Senator Choquette, that this bill be not now read a third time but that it be referred back to the Standing Senate Committee on Legal and Constitutional Affairs to be amended as follows—

Hon. Senators: Dispense.

The Hon. the Speaker: Is it you pleasure, honourable senators, to adopt the motion in amendment?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: As there is some uncertainty as to agreement, I am going to ask those who are in favour of the motion in amendment by honourable Senator Flynn to please say "yea."

Some Hon. Senators: Yea.

The Hon. the Speaker: Those who are against the motion in amendment by honourable Senator Flynn please say "nay."

Some Hon. Senators: Nay.

The Hon. the Speaker: In my opinion, the "nays" have it.

Hon. Mr. Choquette: They have it by a "nay."

And more than two honourable senators having risen.

The Hon. the Speaker: Please call in the senators.

• (1450)

Motion of Hon. Mr. Flynn in amendment negatived on the following division:

YEAS

Honourable Senators

Beaubien	Forsey
Belisle	Grosart
Blois	Haig
Burchill	Hayden
Cameron	Macdonald (*Cape Breton*)
Choquette	Molson
Cook	O'Leary
Flynn	Phillips

Quart	White
Sparrow	Yuzyk—21.
Welch	

NAYS

Honourable Senators

Argue	Kinnear
Bonnell	Lafond
Bourget	Laird
Bourque	Langlois
Carter	Lapointe
Connolly (*Ottawa West*)	Lawson
Croll	Lefrançois
Denis	Manning
Duggan	Martin
Eudes	McDonald (*Moosomin*)
Fergusson	McElman
Fournier	McGrand
(*De Lanaudière*)	McIlraith
Fournier	McNamara
(*Restigouche-Gloucester*)	Norrie
Giguère	Paterson
Goldenberg	Petten
Graham	Prowse
Hastings	Smith
Inman	van Roggen
Isnor	Williams—41.
Kickham	

The Hon. the Speaker: I declare the motion in amendment lost.

Motion agreed to and bill read third time and passed, on division.

• (1500)

RULES OF THE SENATE

ADVISABILITY OF EMBODIMENT OF CODE OF CONDUCT FOR SENATORS—NOTICE OF MOTION

Hon. David A. Croll: Honourable senators, I give notice that on Tuesday next I will move:

> That the Standing Committee on Standing Rules and Orders consider the advisability of embodying in the Rules of the Senate the following two principles as a code of conduct for Senators:
>
> (1) That in any debate or proceeding of the Senate or its committees or transactions or communications which a Senator may have with other Senators or with Ministers, Members of the House of Commons or servants of the Crown, he shall disclose any relevant pecuniary interest or benefit of whatever nature, whether direct or indirect, that he may have or may be expecting to have.
>
> (2) That it is contrary to the usage and derogatory to the dignity of the Senate that a Senator should bring forward by speech or question, or advocate in this House or among his fellow Senators any bill, motion, matter or cause for a fee, payment, retainer or reward, direct or indirect, which he has received, is receiving or expects to receive.
>
> And that the said committee examine and report upon ways and means of establishing an effective parliamentary machinery for the proper enforcement of the foregoing code of conduct.

Hon. Jacques Flynn: Mr. Speaker, I rise on a point of order. I would ask Your Honour to consider whether paragraph (2) of this notice is not already covered by the law. I think it is a duplication of the law, and should not be considered as an amendment to the rules governing this very matter as far as senators are concerned. It seems to me that the matter of receiving a fee for doing anything in the Senate is already covered by either the act concerning the Senate and the House of Commons, or some other act.

I would ask Your Honour to look into this question. The first paragraph may be a problem for the Rules Committee, but I doubt that an act can be amended by this method.

The Hon. the Speaker: I understand that the notice is given for Tuesday next. In the meantime I shall look into this matter.

PUBLIC SERVANTS

IMPROPRIETY OF MAKING SPEECHES ON MATTERS OF POLICY—DEBATE ADJOURNED

Hon. Eugene A. Forsey rose pursuant to notice:

> That he will call the attention of the Senate to the impropriety of public servants making speeches on matters of policy.

He said: Honourable senators, it may be thought that the question I am raising today is one which ought not to arise at all, that the constitutional principles on the subject are so well understood, so unquestioned, so firmly entrenched and so faithfully observed, that any discussion of them is a work of supererogation. Unfortunately, certain recent events have shown that this is not so.

By the British North America Act, our Constitution is explicitly declared to be a constitution "similar in principle to that of the United Kingdom." One of the most firmly established conventions of the Constitution of the United Kingdom is that it is for ministers, not civil servants, to make public pronouncements on matters of policy. That convention, that usage, that practice has hitherto been generally considered to be equally well established in our own Constitution; and indeed it is still generally acknowledged, formally acknowledged, even by those who break it.

The reasons for the convention are clear. If the civil servant makes a speech or writes an article or gives an interview, either praising or attacking existing government policy, he makes himself a partisan and his usefulness is gone. If he makes a speech or writes an article or gives an interview in which he propounds a new policy, he usurps the functions of ministers and of the members of both Houses of Parliament and involves himself at once in political controversy, and again his usefulness is gone; he destroys his usefulness.

Exactly the same holds true of any reports which he makes to Parliament, with certain minor exceptions, explicitly provided for by statute, which I shall come to in a moment.

It may be objected that I am setting forth a ridiculously antiquated and unrealistic view of the functions of the modern civil servant, that I would make of him a mere rubber stamp, that I would impose on him a Trappist vow of silence. Not at all. It is perfectly proper and, indeed, highly desirable that public officials should make speeches, write articles and give interviews explaining government policy, explaining how it works, explaining why certain difficulties arise in the course of its operation, explaining how their department or section or branch or division or office operates, explaining the grounds for certain rules or practices followed in the public service generally or in their part of it. It is equally proper and desirable that, if need be, they should do likewise in any reports they make to Parliament or to either house, or in appearances before any committee of either house.

Within the last year, for example, the Clerk of the Privy Council has delivered, first to the Institute of Public Administration, and then to the Royal Society of Canada—a matter of about a week ago—papers on "The Changing Role of the Privy Council Office" and on "Official Responsibility, Private Conscience and Public Information," which are models of the kind of thing that I have in mind. Both papers give the lie to any contention that observance of the constitutional proprieties must reduce the speaker or writer to platitudes or innocuous generalities. But this kind of activity by public officials is worlds away from mounting a platform, literally or figuratively, to advocate the repeal or amendment of statutes, or the modification or reversal of public policies.

Nor does the constitutional rule ignore or deny the part the public servant, the permanent official, plays—indeed must play, should play—in the formation of policy, administrative or legislative. But again with the minor exceptions explicitly provided for by statute, that part should be played behind the scenes, not before the footlights or television cameras or in speeches or in the public prints or in reports to Parliament or in evidence before parliamentary committees.

The official has the right and the duty to tell his minister or the cabinet whatever he thinks necessary about the shortcomings of the existing law or existing policy and to advocate changes, even fundamental changes, in that law or policy. But, having done so, he has exercised his right, his sole right; he has discharged his duty. If the decision of the minister or the cabinet, or eventually of Parliament, goes against his conviction, and he feels he must make his dissent public, then he must resign. Having resigned, he can, of course, stump the country. But so long as he remains an official he must, in public, on matters of policy, be seen and not heard.

• (1510)

All this, of course, applies with special force to the higher officials—and the higher the more strictly. If a stenographer criticizes government policy or expresses her disapproval of a law or policy or proposes changes, the peace, order and good government of Canada is obviously not going to be very seriously disturbed. But if a deputy minister or someone of equivalent rank does likewise, the results can be subversive.

I have twice mentioned minor statutory exceptions to the general constitutional rule in this matter. I shall give three.

First, the Auditor General. By the Financial Administration Act, R.S.C., 1970, F-10, section 61, he is required to report to the House of Commons on a variety of matters listed, ending with ". . . any other case that the Auditor General considers should be brought to the notice of the House of Commons." By statute, therefore, this official is not only permitted but required to go beyond what would ordinarily be expected in a mere auditor's report—and this for reasons which successive parliaments, with overwhelming public support, have considered conclusive.

Second, the Chief Electoral Officer. By the Canada Elections Act, R.S.C., 1970, First Supplement, Chapter 14, section 59(1)(d), he is required to report to the Speaker of the House of Commons, within ten days of the commencement of any session, on, among other things, "any amendments that, in his opinion, are desirable for the better administration of this Act."

Once again, this official is not only permitted but ordered to go beyond a mere recital of what his office has done or not done, what difficulties it has encountered and so forth; though it is noteworthy that he is to confine himself strictly to amendments which he considers desirable for the better administration of the existing law. He has no mandate to propose, for example, abolishing the ballot and going back to open voting, or even, to take a more realistic example, abolishing that recent, and in my judgment dubious, innovation of recognizing political parties in the act.

Third, the Official Languages Commissioner. By the Official Languages Act, R.S.C., 1970, 0-2, section 31(2) he is empowered to conduct certain investigations; and, if an investigation shows that an act or omission should be referred to any department or institution for consideration or action if deemed necessary, or that any statute or regulations thereunder should be reconsidered or any practice should be altered or discontinued, or that any action should be taken, he reports to the Clerk of the Privy Council and the deputy or administrative head of any department or institution concerned, and may make recommendations, setting a time limit for compliance. So far, all behind the scenes. By the same statute, however, section 33, if, within a reasonable time, no action he considers adequate and appropriate has been taken, he is permitted to transmit a copy of his report and the recommendations to the Governor in Council, and further permitted "to make such report to Parliament thereon as he deems appropriate." By section 34(1) of the same act, he must also make to Parliament, each year, a report, including his "recommendations, if any, for any proposed changes in this Act that he deems necessary in order that effect may be given to this Act according to its spirit and intent."

In other words, this official is permitted to make recommendations to Parliament on particular cases, and ordered to propose such amendments to the act as he thinks necessary to give better effect to its spirit and intent. Note again, however, that he must confine himself

strictly to amendments designed to give better effect to the purpose of the act. He has no mandate to suggest its repeal, or its extension to languages other than English and French, as one senator suggested in this house in 1892 in the case of Gaelic. He has no mandate to do that sort of thing or suggest that sort of thing in his report, or to suggest any other change of principle.

There may be other statutory exceptions to the general rule governing what officials may say publicly by way of advocating changes in the law or in public policy. I have chosen these because these three officers have been singled out, by the chairman of the Public Service Commission, as being servants of Parliament—and I quote his very words—"in exactly the same relationship" as his commission.

Now let us look at the Public Service Employment Act, R.S.C., 1970, P-32. Does that act contain any provisions similar to those I have just cited from the other three? It does not. True, section 5(e) requires the commission to report to the Governor in Council "upon such matters arising out of or relating to the administration or operation of this Act and the regulations as the commission considers desirable," and that could be construed as allowing, or even ordering, the commission to propose changes in the act or the policy embodied in it, though I should think not fundamental changes. But in any case this report is only to the Governor in Council, the Cabinet; not to Parliament. There is nothing to indicate that it is to be made public. Presumably, the paragraph merely makes explicit statutory provision for confidential advice to the government; and in such confidential advice the commission may, of course, with perfect propriety, advocate a return to unbridled political patronage, or the adoption of a quota system for entry to the public service, or any other change, big or little, that it thinks desirable.

That the report provided for by section 5(e) is not intended to be placed before Parliament or otherwise made public is, to my mind, made clear from the fact that section 45 of the act requires the commission, within five months after the 31st day of December in each year, to transmit to Parliament, through the minister designated by the Governor in Council, "a report and statement of the transactions and affairs of the commission during that year, the nature of any action taken by it under section 6(1) or (4), and the positions and persons, if any, excluded under section 39 from the operation of this Act and the reasons therefor." That is all: no mention of any power, let alone requirement, to do anything more; certainly nothing about proposing amendments, even of a limited kind.

Whether the report recently submitted to Parliament is a report under section 5(e), or a report under section 45, is not altogether clear. It is not addressed to anyone in particular. It plunges *in medias res.* However, from the facts that (a) the reports required by section 5, paragraph (e), are not specified to be annual or required to be submitted to Parliament, and presumably are not intended for submission to Parliament, and (b) that the published report bears on its cover the words "Annual Report" and begins with the heading "The year in review," it seems plain that it is intended to be the report provided for and required by section 45.

[Hon. Mr. Forsey.]

I now come to a very disagreeable part of what I have to say. I am well aware that permanent officials should ordinarily be immune to criticism in either House of Parliament. But there is a condition attached to that immunity. The late Professor MacGregor Dawson in his book "The Civil Service of Canada," at page 203 states the principle in these words, which he applies specifically to the Civil Service Commission, the predecessor of the present Public Service Commission:

> They—

That is, the commissioners.

> —should be forbidden . . . either by law or custom, to speak on any controversial question . . . In return for this abstention they should be accorded full protection in Parliament against irresponsible criticism.

If members of the public service invade the field of Parliament, then they must expect to be criticized for it.

At the outset, I wish to make it clear that there is nothing personal in what I have to say. I barely know Mr. Carson, and our few brief meetings have always been pleasant. I know Mr. Lussier slightly, and have the highest respect for him. Mrs. Johnson I do not know at all. I have the most perfect confidence that the commission in its report and Mr. Carson in his speech to the Public Personnel Association on June 1—of which I took care to get a copy, telling Mr. Carson why I wanted it—had the best intentions. I feel perfectly confident that both the commission and Mr. Carson have the best intentions. I have the most perfect confidence that all the commissioners are zealous and devoted public servants, actuated only by the highest motives and desirous only of giving us the best public service possible. But I think some of the statements in the report and in Mr. Carson's speech are unfortunate, to say the least, ill-advised and likely to give rise to apprehensions in the minds of a public service whose morale is already in a delicate condition. And constitutionally their whole tenor is grossly improper.

• (1520)

I wish now to give my reasons for using those adjectives. First, the commission's annual report. That document does not, it is true, explicitly propose changes in the Public Service Employment Act or in the basic policy it embodies. It does what to a great many of us, public servants and others, is almost worse; it utters dark hints; it raises a fog out of which come muffled detonations, and this impression is strengthened by the chairman's speech of June 1. The parts of the report which seem to be objectionable all appear on page 1 and all have to do with the alleged defects of the merit system in the Public Service of Canada.

I wonder if the commissioners fully realize out of what tribulations that system was born. People of my age with any familiarity with our political history realize it only too well. I was brought up in a civil service family whose service goes back to 1855 and continues to this hour, and I well remember after the election of 1911 the lively speculation in our household about how many civil servants would be dismissed because of the Conservative victory. I recall also a story of my grandfather's about a minor member of the House of Commons staff who had been accustomed during the long years of Conservative rule

before 1896 to proclaim from the housetops his ardent devotion to the Conservative Party. The morning after the election of 1896 to the great astonishment of his colleagues he was going around the corridors of the old building trumpeting his equally ardent devotion to the Liberal Party, and somebody said to him, "Mr. so-and-so, you have always declared you were a strong Conservative." "That's right, but no government can change faster than I can."

I remember the kind of atmosphere that existed before the Union Government of 1917 put an end to that sort of performance, at least for the most part and for most of the service, and I hope no one wants to go back to it. Certainly the commission does not, nor does it in its annual report, suggest anything of the sort. But it does make statements that appear to call into question the validity of the merit system. This may be no more than an unfortunate choice of words, but the words are there and I am not surprised that they have caused alarm among members of the public service, especially as they happen to coincide almost exactly with a speech by the chairman which certainly is open to very disturbing interpretations.

What specifically does the report say? First, that—and I am quoting here exactly, leaving out certain parenthetical remarks which are not material—"the merit concept . . . has tended to develop a sacred cowishness of its own." Well, to a great many ordinary readers that suggests at least a slightly amused condescension; certainly no great respect for the principle. The report goes on, "Tamper with it . . ."—that is, tamper with the merit concept—". . . suggest that it evolve to meet changing values and conditions and there are those who would see in the change a return to less honest times." Not necessarily, but if the commission talks about "tampering" with the principle, about making it "evolve" to "meet changing values and conditions," unspecified, there are certainly those who will feel uneasy; who will fear not a return to the less honest times of political patronage, but an evolution to something unknown and perhaps equally undesirable though for other reasons: the introduction of a form of group patronage.

The uneasiness and fears are certainly not likely to be set at rest by some of the statements in the next paragraph of the report. First, this:

> But the existing application of the merit system has failed in one respect. It has not given us a representative public service.

That is a strange statement indeed and the obvious answer is: Why should it? What is the purpose of the public service? Is it to provide a mirror of the geographic, provincial, regional, ethnic, linguistic, religious, class, age, sex or other composition of the nation? Or is it to do the public business as efficiently as possible?

The most certain way to get a "fully representative public service," a mirror public service, would, of course, be to have it elected by a series of communal electorates, though some of the communities would overlap—the young and the Ukrainians, for example, or the French Canadians and the women. Perhaps there would have to be an elaborate system of subcommunities. That would accord with the idea of American Jacksonian democracy although even Jackson might have jibbed at seeing his principles pushed quite so far. But it could give us an overrepresentation of people whose capacity for performing the duties of public service might leave something to be desired. A quota system applied by the Solons of the Public Service Commission might avoid that danger.

In his evidence before a committee of the other place the chairman has tried to get out of his difficulties by producing a new definition of the merit principle. He says he and his colleagues "feel that when one talks of the merit principle you are really talking about two separate elements. One, and very important, is the fittest will get the job, but related, and very closely related—it seems to me that it flows through all the language of the law—is that the opportunity to compete will be spread as broadly among all Canadians as it can possibly be. This is just as much an element of merit, it is just as much an element of the merit principle that all Canadians shall have equal access."

Honourable senators, this is plain nonsense from start to finish. It is pure Humpty Dumptyism. "When I use a word," said Humpty Dumpty, "it means just what I choose it to mean." Spreading the opportunity to compete, or "equal access" may be a good principle; but it is no more an "element" of the merit principle than soup is an "element" of fish. The "equal access" principle is not only not "closely related" to the merit principle: it is totally unrelated, and may be in direct and flagrant conflict with it. The "equal access" principle does not "flow through all the language of the law." I defy anyone to cite so much as one syllable in the act which has the faintest reference to anything of the sort. The act empowers the commissioners to do a great many things; it does not empower them to revise the English dictionary to remould the meaning of words nearer to their hearts' desire.

Now, of course, a civil service made up exclusively of people from one area of the country, one ethnic or religious group, one province, one region, one age, one sex, would be highly undesirable and, I may add, highly unlikely. It wouldn't be ideal, it wouldn't be desirable and it is not likely to happen and it is daily becoming less likely. But it does not follow that we should scrap the merit system for a quota system. We do not want to see a situation where a highly qualified applicant for a position in the public service is told, "Sorry: the Nova Scotia quota (or the Alberta quota, or the Eskimo quota, or whatever it may be) is full." Nor, of course, does the commission's report suggest quite that. But it does seem to hint that the merit system—and the chairman's evidence before the committee in the other place more than hints it—that the merit system should be modified by a hemi-demi-semi-quota system; that it should be a merit system with knobs on, or holes in it. There must, it says, be a different "application" of the "merit concept." How different? Different in what ways?

• (1530)

The commission goes on to give some hints of what it means. It says:

> In the past the service has been dominated by English-speaking males. There are indications that this dominance exercises a subtle if unintended discrimination against other groups competing for jobs or careers in Canada's Public Service. French-speaking Canadians

> are under-represented, although a little less so now than a few years ago. Women in the higher ranks are virtually non-existent.

I wonder how the ladies, admittedly few, who are in the higher ranks will like that? It seems to me to qualify for what *Punch* used to call, "Things that might have been expressed more happily."

The report continues:

> And there have been few programs in the past to encourage native peoples to share in the work of the public service. A growing feeling has been that the merit system in the past has been applied too narrowly and that equality of opportunity for these groups has been lacking.

On this, several comments are in order. Is there anything surprising in the public service having been in the past, or being still, though to a less degree, "dominated by English-speaking males"? I am an ardent believer in bilingualism, in the equality of women, and in the rights of the native peoples. The more French-speaking Canadians there are in the public service, and in the higher ranks of that service, the better pleased I shall be; the more women there are in the service and in its higher ranks, the better pleased I shall be; the more Indians and Eskimos there are in the service and in its higher ranks, the better pleased I shall be; always provided the people concerned are the people best fitted, or at any rate well fitted, for the jobs in question. But let us be honest about this thing.

First, about two-thirds of the people of this country are English-speaking; so, even on the strictest quota principle one would expect the public service to be something like two-thirds English-speaking. I do not advocate that principle, but if we are going to talk about a "representative" public service, that is one fact we shall have to face.

Second, until comparatively recently, women's education tended to be rather specialized, and in subjects or disciplines—for example, teaching and nursing—which did not lead very naturally to careers in the Public Service of the Dominion.

Third, until comparatively recently, French-Canadian education also tended to be rather specialized, and in subjects or disciplines which, again, did not always lead very naturally to careers in the Public Service of the Dominion; besides a largely unilingual Ottawa, with unfamiliar systems of education and civil law, was not very attractive to French-speaking Canadians. I am not saying this is the whole story; I am not saying there was no bias, or no discrimination, however unconscious or unintended. I am simply pointing out certain factors which help to explain some of the things the commission deplores.

Fourth, whether through our fault, our most grievous fault, or otherwise, the native peoples still are not producing very many people qualified for at least the higher posts in the public service.

Certainly, I think, most of us want to see more French-speaking Canadians, more women, more Indians and Eskimos in the public service and in the higher ranks of that service. But surely the proper ways to bring this about are reasonably clear.

[Hon. Mr. Forsey.]

First, make every possible effort to ensure that the service, and its higher ranks, are really open to all. This may involve changing the requirements for certain posts to allow for the special gifts, knowledge, experience, expertise of French-speaking Canadians, or women, or Indians and Eskimos, or other groups who may appear to be deprived of the equal opportunity which the commission says may have been lacking.

Second, make the opportunities fully known to the various groups in question; set up special recruitment programs; go out into the highways and byways, and use all the arts of persuasion to get qualified people from these groups.

Third, set up special training programs for people from these groups who may lack the specific skills or knowledge required.

Fourth, help the provinces to improve their educational systems to qualify their people better for careers in the Public Service of Canada. Unless something of this sort is done, one of the unintended results of the policy of bilingualism and biculturalism may be to give us a public service in which Quebec, New Brunswick and eastern and northern Ontario will be heavily "overrepresented," and from which many people in the west, and in the most eastern provinces, will be effectively excluded.

Except for the part depending on the provinces, all this, it seems to me, can be done without "tampering" with the "merit concept," or at any rate without any serious "tampering." In fact, it is already being done. The report itself, on the very same page, notes:

> —the introduction of special recruitment programs for French-speaking Canadians, of programs aimed at improving the opportunities for female public servants, and our newly-launched Native employment program.

And there is statutory authority for at least measures of this sort.

First, section 10 of the Public Service Employment Act lays down that:

> Appointments to or from within the Public Service shall be based on selection according to merit, as determined by the Commission, and shall be made . . . by competition or by such other process of personnel selection designed to establish the merit of candidates as the Commission considers is in the best interests of the Public Service.

Section 12(1) adds:

> The Commission may, in determining pursuant to section 10 the basis of assessment of merit in relation to any position or class of positions, prescribe selection standards as to education, knowledge, experience, language, age, residence or any other matters that, in the opinion of the Commission, are necesary or desirable, having regard to the nature of the duties to be performed, but any such selection standards shall not be inconsistent with any classification standard prescribed pursuant to the Financial Administration Act for that position or any position in that class.

That seems to me to give the commission ample power to use the first way to get more French-speaking Canadians, women, Indians and Eskimos or any other group into

the service without "tampering" with the "merit concept." True, it is cabin'd, cribb'd, confined by that last proviso about the Financial Administration Act. But surely that is not an undesirable restriction. And surely the commission is not hinting that it is.

True, also, section 12(2) says:

> The Commission, in prescribing selection standards under subsection (1), shall not discriminate against any person by reason of sex, race, national origin, colour or religion.

But again, surely this restriction is not undesirable; and again, surely the commission is not hinting that it is.

There is also, in the act, provision for certain modifications or exceptions to the application of the merit principle. Section 16(3) and section 17(4) provide for the veterans' preference and for a preference for Canadian citizens in certain cases. Section 6(1) empowers the commission to delegate most of its powers, including its power of selection, to deputy heads of departments; and subsection (5) empowers the deputy heads, subject to the commission's approval, to delegate in their turn. Section 39 provides:

> In any case where the Commission decides that it is not practicable nor in the best interests of the Public Service to apply this Act or any provision thereof to any position or person or class of positions or persons, the Commission may, with the approval of the Governor in Council, exclude such position or person or class of positions or persons in whole or in part from the operation of this Act.

Section 37 makes a special provision for ministers' executive assistants, special assistants and private secretaries to be appointed to the public service without competition, under certain defined rules.

All that seems to me to give pretty considerable leeway in the application of the merit principle. So I can't understand why the next paragraph in the commission's report asks:

> Is a public service that does not fully—

the French word is "totalement," totally,

> —represent the people it serves the best possible public service? And if not, how can we ensure that there is true equality of opportunity for all peoples when it comes to being considered for appointment or promotion in the public service?

This seems to suggest a straight quota system, which would mean not merely "tampering" with the merit system but overthrowing it.

• (1540)

That scares me. How can you run a modern state with a civil service based on anything but merit? Granted, there may have to be certain exceptions and special provisions for special purposes or circumstances as, in fact, there are in our legislation and policy. But merit must remain the general rule or we shall plunge "through hideous ruin and combustion down to bottomless perdition, there to dwell." The Canadian state will simply collapse.

My alarm increases when I read the commission's answer to the two questions I have just quoted. I quote again:

> The answer may be found in a dynamic concept of merit, one which is able to adapt—

Once again we find that disembowelling of transitive verbs which has grown up on this continent; the commission should have said "adapt itself," of course.

> —to the real conditions and the changing values of society at large.

What precisely does that mean? "Dynamic" is one of the most overused words in the language, and in many instances it is used when the speaker or writer wants to sound impressively avant-garde, and at the same time conveniently vague. That seems to me to be the case here. I can attach no definite meaning at all to the word. What are the "real conditions," what are "the changing values of society at large," to which the merit concept must be "dynamically adapted"? This could mean almost anything. It could throw the public service wide open to the standards of hippiedom. To be sure, the report adds at once:

> It is this philosophy that lies behind the recent introduction of special recruitment programs for French Canadians, of programs aimed at improving the opportunities for female public servants, and our newly-launched native employment program.

But if that is all it is, why deck it with all this fearsome and inflammatory verbiage, this cloud of flames? And why add what, in the context, can scarcely fail to reawaken the fears the previous sentence might have quieted? I quote from the report again:

> It is a preoccupation we will be increasingly facing in the future.

Whom the gods would destroy, they first make mad. The commission, in the wild and whirling words it repeatedly uses, risks destroying not itself but the Public Service of Canada, which it justly describes as "top quality . . . and one which Canada and Canadians are proud of."

The introductory page of the report by itself is bad enough. Taken in conjunction with the chairman's speech of June 1 to the Public Personnel Association, it is much worse. First, at page 4 of the speech we have again the complaint that the merit system as applied since 1918 "did not necessarily provide us with a fully representative public service." Then on page 5 we are told that:

> Last year . . . only 8 per cent of the 66,000 appointments made to, or within the public service, required French as the essential language, 80 per cent required English as the essential language and only 9 per cent . . . required bilingualism.

Well, on that there are two obvious comments. First, that the percentages may in fact have corresponded to the actual requirements of the positions to be filled. Second, that if they did not so correspond, it must have been the commission's own fault. Who else is responsible for drawing up the requirements?

Next, still on page 5, we have this:

> The federal public service is equally unrepresentative of another very large section of the population—namely, women.

Then, on page 6 it is the native peoples:

> We set up a whole department to administer—

An obvious misprint for "minister."

> —to their needs but we never specified in our selection standards for positions in that department, that it might be a useful qualification if one had an understanding or appreciation of the native cultures.

Well, do we have to "tamper" with the merit principle to get some qualified women? Later in the same speech, at pages 8 and 9, Mr. Carson says:

> First, a better break for women in the Public Service. More than a year ago, the Public Service Commission set up its office of equal employment opportunities for women. This action stemmed not only from the report of the Royal Commission on the Status of Women, but also from what has come to be called the Archibald Report, or "Sex in the Public Service." It was very evident that if the discriminatory situation exposed in both reports were to be corrected, some drastic action would be required. Obviously, it would be necessary to effect a change in built-in attitudes—and not just those of men.

I understand that. I have encountered occasionally, some years ago I admit, among some women with whom this matter was being discussed an attitude which seemed to say, "We are inferior and nobody is going to take our inferiority away from us." I gather that Mr. Carson has encountered something of this sort too, because he says that built-in attitudes have to be changed—and not just those of men. The speech continues:

> —Women themselves, we discovered, had to decide whether they wanted to break out of their ghetto and try for the higher level jobs for which they were qualified. We went as far as to lecture high school guidance counsellors on the fixed patterns that were created—often for life—first by acceptance on the part of a girl's parents of the idea that only certain types of work were appropriate for females and secondly by the guidance counsellor's tacit acceptance of the same premise.
>
> We have been carrying on an educational campaign among government departments, trying to get more of the talented women already in the public service enrolled in management training courses, such as the Career Assignment Program. At the other end of the scale, we started, last February, a series of three and four-week training courses specifically for secretaries and for the clerical group in which so many women find themselves, to help those who want to, to break out of the clerical ranks.

And he adds sadly:

> But prejudice dies hard—no matter what kind it is. Recently, the federal cabinet took a hand in helping us and directed government departments to take immediate steps to move more women into middle and senior management positions.

Exactly. Precisely. Perfectly proper and eminently sensible. And on the native peoples, the commission's report, at page 12, says:

> In November 1971, the commission announced a special program to help resolve problems relating to the employment of native people. The commission has made it clear to the National Indian Brotherhood and to other organizations representing native people that it welcomes the participation of Indians as members of selection boards for positions involving the welfare of the Indian peoples. Indians serving on the boards do so on the understanding that they serve as individuals with special insights rather than as representatives of an organization, and that all members of selection boards have as their prime responsibility to ensure that selections are made in accordance with the merit principle.

Again, perfectly proper and eminently sensible.

And in both cases, not the slightest necessity of "tampering" with the merit principle as set forth in the existing legislation. But if you talk about making the service "fully representative" of either women or the native peoples, you are going to have to raise the proportion of women from less than 30 per cent to almost exactly 50 per cent; and to do that in anything like short order would certainly involve a major invasion of the merit principle. I have no figures for the proportion of Indians or Eskimos in the public service, but I should be surprised if the same considerations did not apply there in miniature.

Next in the speech, at page 6, comes something much more ominous:

> And the young, whether male or female, French or English-speaking we have viewed as merely people we bring in to train in already well-established ways of doing things.

Well, honourable senators, surely young entrants must, in general, be viewed in this light? Not "merely," of course; and if they have been viewed "merely" in this light in the past, which I find difficult to believe, then the commission is gravely at fault. After all, the chairman, at least, was not appointed yesterday: he has been in office for about seven years, and presumably is not without influence upon his colleagues of the commission or the higher civil servants generally.

The passage on the young which I have just quoted should be read with another, on page 15, where Mr. Carson makes the suggestion that:

> —we (that is, the personnel group in the service) start concerning ourselves about the need for flexibility and freedom in our approach to this changing society. Most of us have grudgingly accepted some of its more superficial manifestations such as hair and clothing styles, but I'm not sure we have embraced the more fundamental aspects of flexibility and freedom. I refer to personal life styles and the rejection of authoritarianism—including the right to dissent on policy issues.

• (1550)

Now, wait a minute: the right to dissent privately in discussions with the minister or the government; yes, certainly; and this right exists now, and has always existed, and surely has been exercised, times without number. The Clerk of the Privy Council, who is not without experience and knowledge of the subject, in his recent paper to the Royal Society of Canada, said:

> Generally the development of the factors to be taken into account by the cabinet in considering a particular problem, the assessment of the advantages

> and disadvantages of various policy options, and the selection of the recommended course of action will have taken place at the official level. The document will have been prepared by officials. The sponsoring minister may have made a personal contribution to the paper as it emerges for transmission to the cabinet: in some cases, indeed, the argument and recommendation may be very much his own. But normally the official contribution will be very large and may be total except for the minister's final approval and signature.

Of course, that carries with it the idea that the submissions which have been made may be rejected, and the officials know perfectly well that they may remonstrate with the minister and urge upon him the desirability of a different course of action. They can dissent in private until they are as old as Methuselah, or until an earlier date when they are required to retire by statute.

So if Mr. Carson means the right to dissent privately, to the minister or the cabinet, he is banging at a door that has been wide open these many years. But if he means a right to dissent publicly, that is a very different matter. That right has not existed, does not exist, and should not exist, for reasons I have already stated, reasons admirably set forth by the Clerk of the Privy Council in the same paper from which I have just quoted. Speaking of the notion that cabinet documents prepared by officials should be published, he said:

> The cabinet, when it discusses a recommendation, may have perfectly sound reasons for varying it or for rejecting it. Ministers may perceive considerations of broad policy or public acceptability of which the officials were not aware, or they may give weight to one factor or another quite different from that given by the officials. If cabinet documents were published, it would be readily apparent in many cases where official advice had been rejected or departed from and where, perhaps, warnings as to the disadvantages of the course decided upon had been overborne. It has always been recognized as fundamental to the principle of ministerial responsibility for policy that confidentiality be maintained about advice received from officials. It is the ministers who decide: the policy is theirs. It does not matter whether it was devised by officials, or whether they argued for it or against it. The principle would not last long, nor would the anonymity of the public service, if cabinet documents became publishable without some prescribed and substantial delay.

Further he adds:

> In a context of values in which established authority and procedures are more to be rejected than respected, and in which government tends to be seen more as a threat to the individual than as his means of acting for shared needs and purposes, it is not surprising that many, even in the service of government, give scant weight to any arguments about confidentiality or secrecy. This is especially so if an individual has a deep emotional or intellectual attachment to a particular line of policy he may have helped to develop, or from which he hopes to see benefit for some element of the population or some cause that he thinks deserving. Rejection of secrecy as essentially wrong, scepticism about established authority and impatience with the slowness of government processes for decision can readily lead to the conviction that revealing a document may be the best way to force the hand of government and to foil the plots of those who are thought to be frustrating desirable action.

Exactly the same applies and for exactly the same reasons to public expressions of dissent from government policy by public officials.

Finally, in the very last sentence of the paper, the Clerk said:

> If we believe that representative and responsible government is the best way we have so far been able to work out to provide a degree of participation that is consistent with effective action and to give expression and reality to the general will in determination of the interests and wishes of the people as a whole, we cannot accept as permissible a liberty by those in the service of the state to place their personal convictions about policy, or about the public right to know ahead of their official responsibility.

Well, as James Russell Lowell said, "There you have it plain and flat."

But Mr. Carson is apparently blissfully unaware of these principles, or of the long historical experience on which they rest. For he goes blithely on, at page 15 of his speech:

> Most of my generation came to the public service in a different era, when the traditions of anonymity and obscurity were still revered.

I may interject here that in some quarters those traditions still are revered, and by at least one person who had considerable experience of them, and who is usually supposed to have some brains. Listen to this, honourable senators, from the present Secretary of State for External Affairs. I quote from *Bureaucracy in Canadian Government, Selected Readings*, edited by W. D. K. Kernaghan, at pages 82 and 83. Mr. Sharp says:

> I found a civil service career to be far from dull and humdrum. Those 16 years were full of stimulating experiences and highly exciting activities . . . I made the choice to remain in Ottawa and I have never regretted it.

This was written at a time when he had left the service and had not gone into active politics. He goes on:

> The main reason for that decision was one man—the late Clifford Clark, Deputy Minister of Finance. The contribution of this man to the Canadian nation will never be fully appreciated, because the story can never be fully told of his influence upon the course of events. Being a civil servant, he worked anonymously, in the background, his views and his actions finding their expression in official utterances of ministers and in the statutes approved by Parliament. Nor would he have wished it otherwise and he inculcated into all of us his ideal of the good civil servant.

But to Mr. Carson this is anathema. His speech goes on:

> To a new generation of potential bureaucrats raised on participatory democracy, our Spartan silence and/or timidity seems like an abdication of freedom.

"Spartan silence!" Has Mr. Carson been deafened by his own voice? "Timidity!" Has he read his own report or his own speeches, a report and speeches which rush in where angels might fear to tread? I have sometimes thought that one of the best things the government could do would be to put in next year's Estimates an item for a green baize bag to be fitted firmly down over the head of Mr. Carson.

If Mr. Carson really means that members of the public service should have the right to dissent publicly on matters of policy, then he is proposing something which strikes at the very foundations of the whole system of responsible cabinet government: as subversive as anything that the wildest revolutionary in his wildest moments ever dreamed of. The end of that road is anarchy.

There is one other feature of Mr. Carson's speech which, though it pales almost into insignificance by comparison with what I have just been speaking of, is, in the short run, likely to be even more destructive of good government. That is the passages, on pages 13, 14 and 15, in which he sets out the "totally new set of demands in terms of the way in which work is structured and performed," and then proceeds to cast aspersions on the present members of the public service, wholesale. Just listen to this, honourable senators. Remember this is from the official text of the speech sent to me by Mr. Carson himself. I am not relying on some reporter's version of the thing, which may highlight certain things, quote them out of context, or, for brevity's sake, leave out certain things. Just listen:

• (1600)

> Increasingly, the emphasis is going to be on relevance, integrity, flexibility and freedom.

I pause there to ask what is meant by "relevance," another of those blessed and blessedly vague, high-sounding words by which so many people now muddy the waters or cover their tracks. "Relevance" to what? As far as I can make out from what follows, "relevance" here signifies, and I quote Mr. Carson's words, "meaningful work." But this is not very enlightening; in fact, it leaves me, at least, completely in the dark.

However, to resume:

> This—

That is, relevance, integrity, flexibility and freedom, and I am quoting *ipsissima verba.*

> —is going to be the new morality in the world of work.

Mr. Carson then goes on to "emphasize"—his own word—that he is "talking about the embryo administrator and/or young professional," and asking, "how do we cope with the changing needs and profile of the budding young bureaucrat"—not, observe, with the needs of the public or its service. Mr. Carson has, quite simply, got his values upside down. Perhaps someone should read to him the celebrated letter in which an Englishman, remonstrating with a government official, wound up, "You have the honour to be, Sir, my obedient servant."

Having "emphasized" that he is talking "about the embryo administrator and/or young professional," Mr. Carson then proceeds to cast aspersions on pretty well the whole of the higher ranks of the public service. Listen to this:

> My first suggestion is to start caring about the relevance of work. Based on what I hear from our administrative trainees and from the career-oriented summer employees who come to Ottawa, I sometimes wonder whether our middle-aged managers haven't forgotten what a thrill it is to do meaningful work and what a colossal drag it is to fill in time.

The evidence for this slur is, of course, beyond reproach, beyond even question: it comes from the infallible, the omniscient, young. *Roma locuta est.*

Mr. Carson goes on:

> Let's not delude ourselves with thinking that tomorrow's potential bureaucrat can be bought off with a pay cheque in lieu of meaningful work. This only creates cynics and/or time servers—and all our public services have enough of these.

How to win friends and influence people in the public service!

In his next paragraph, Mr. Carson casts his net even wider:

> My second suggestion is to start—

Note, "start;" nobody has done this before.

> —caring about integrity in the work setting in a way that is meaningful to our young recruits. I'm not suggesting for a minute that public servants ever intentionally steal from the public trough—

At this point, present members of the public service will no doubt exclaim with Florence Nightingale when she received the Order of Merit, "Too kind! Too kind!"

> I'm not suggesting for a minute that public servants ever intentionally steal from the public trough nor that they deliberately lie.

The public service steps forward to take a modest bow.

The speech proceeds:

> However, to the extent that we mislead or conceal, obfuscate issues, waste the time and/or manhours—

I like that distinction between "the time" and "manhours;" reminiscent of the Anglican Prayer Book's distinction between "quires, and places where they sing;" and I stand in awe of the man who can waste both time and manhours.

> —waste the time and/or manhours of our subordinates, we inevitably tarnish our reputation for integrity—and thereby, turn off the more earnest of our students.

And then comes the gem of the collection (*finis coronat opus*), the immortal phrase already graven on the hearts of thousands of public servants:

> We have only ourselves to blame if it is the corruptible slobs who stay on.

Reading that, I understand why the Public Service Commission is no longer called "civil."

Upon what meat doth this our Carson feed, that he is grown so great? For observe, honourable senators, the "quiet revolution" which he proposes—a revolution in the definition of "merit," and, therefore in the very basis of

the public service, a revolution in the fundamental rules of conduct for public servants—this revolution is to be accomplished not by a change in the law, not by the action of the Parliament or the will of the people, but by a revival, in Mr. Carson's person, of that "dispensing power," the power to set aside the law, which cost James the Second his throne, and which we thought had been banished forever by the English revolution of 1688, of which we are the lawful and undoubted heirs.

[*Translation*]

Hon. Renaude Lapointe: Honourable senators, my reply will be very brief. I should like to say that I regret to differ with my honourable colleague. I consider Mr. Carson to be one of the bravest civil servants who has ever existed and if he spoke a little out of turn, and allowed a few unfortunate utterances to escape him, I believe it was in reply to a group of fanatics. Mr. Carson's purpose is to introduce a little more justice in the public service, and he is performing this duty admirably.

In my opinion, his new definition of merit, whereby bilingualism is considered as an element of merit, is quite valid. I believe the Prime Minister also shares his opinion. If he is dissatisfied with Mr. Carson, it is his privilege to dismiss him and the fact that Mr. Carson is still in tenure leads me to believe that the Prime Minister is in perfect agreement with the policies he seeks to establish.

[*English*]

On motion of Hon. Mr. O'Leary, debate adjourned.

BUSINESS OF THE SENATE

Hon. A. Hamilton McDonald: Honourable senators, I wonder if I might have leave to revert to Notices of Motions.

Hon. Mr. Flynn: For what purpose?

Hon. Mr. McDonald: The Rules Committee is meeting tomorrow morning and we would like to have as many senators as possible present at that meeting, and in that regard I want to move two changes in the committee membership.

Hon. Mr. Flynn: Agreed.

STANDING RULES AND ORDERS

CHANGE IN COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the names of the honourable Senators McElman and Smith be substituted for those of the honourable Senators Davey and Langlois on the list of senators serving on the Standing Committee on Standing Rules and Orders.

Motion agreed to.

NATIONAL GALLERY

ACQUISITION OF SCULPTURE—QUESTION

Hon. Eugene A. Forsey: Honourable senators, may I ask the Leader of the Government whether he has seen the latest acquisition to the National Gallery? I think a photograph appeared in the Ottawa *Journal* of May 12 last. It exceeds anything that I have yet discovered that even the talented Director of the Gallery has been able to pick up from the rubbish heaps. It is another product of the fibreglass factory at West Lorne, apparently. Has he seen this thing which is called "Klonos," "violent and confused motion," which is to be exhibited in Venice and then brought back to be exhibited here, let us hope indoors. Can he give us any information about the cost of this masterpiece?

• (1610)

I said the other day that we are told it is not policy to provide information of the cost of things that are bought by the National Gallery. I should like an answer from the Leader of the Government as to why it is not policy. This money that is being spent for this rubbish—because really this thing is nothing but a collection of things such as you could pick up from any garbage heap in any city in any part of the country, if you used about 10 minutes of your time—is paid by the people of Canada; it comes out of the income tax of everybody in this house, and everybody out of this house who pays income tax.

Why in the world should we be denied information about the cost of these things? I think it is a public outrage, and I should like to get from the Leader of the Government, after his mature consideration and deliberation, and consultation with his colleagues, the reason for this extraordinary practice of secrecy in this particular matter. I do not know whether it is supposed it will endanger national security or whether it will endanger our relations with Maoist China or the Soviet Union, or what. Surely there must be some explanation for this concealment of the cost of this trash that is being foisted upon the public, and, worst of all, exhibited to the world in foreign countries as an example of "Canadian art."

I hope I can get an answer, a straight answer and a complete answer, in due course from the Leader of the Government.

Hon. Mr. Flynn: From an expert.

Hon. Mr. Martin: I am sure, honourable senators, that is a very precisely stated question, and not a very long one. I have been asked if I have seen this latest work of art. I must confess I have not. I have been busy in the last few days with the Leader of the Opposition. Perhaps I could persuade the Leader of the Opposition to join me in going down to look at the object. Perhaps it would do both of us some good. In any event, I will see if I can get a satisfactory answer.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, June 15, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

OTTAWA

15 June 1972

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 15th day of June, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report on the administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1971, pursuant to section 12 of the Blind Persons Act, chapter B-7, R.S.C., 1970.

Report on the administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1971, pursuant to section 12 of the Disabled Persons Act, chapter D-6, R.S.C., 1970.

Report on the administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1971, pursuant to section 12 of the Old Age Assistance Act, chapter O-5, R.S.C., 1970.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, June 20, 1972, at eight o'clock in the evening.

Honourable senators, it is difficult at the moment to project what work will come to us from the other place next week. However, virtually all our committees have work to do, so if we are not totally involved in the chamber we certainly will be in committee work.

As His Honour the Speaker has informed us, we will have royal assent this evening at 5.45 p.m. I hope all honourable senators will be present.

Motion agreed to.

POLLUTION

DAMAGE RESULTING FROM OIL SPILLS OFF WEST COAST—URGENCY FOR REFERENCE TO INTERNATIONAL JOINT COMMISSION

Hon. Hazen Argue moved pursuant to notice:

That in the light of the damage in Canada and the United States arising from the recent oil spill at the Cherry Point Refinery, the Senate support the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and request the Secretary of State for External Affairs to immediately convey the terms of this motion to the Government of the United States; and

That the International Joint Commission have a mandate to utilize and requisition such financial and other resources of Canada and the United States as will best and soonest restore the ecology and environment on the West Coast to pre-spill conditions.

• (1410)

He said: Honourable senators, the purpose behind this motion is to register the Senate's concern regarding the kind of disaster that has recently happened at Cherry Point in the United States, with its dire consequences to the coastline of Canada, and to recommend certain action.

I might say that this motion is in the same terms as a motion that was unanimously passed by the House of Commons on Friday last. That house did the right thing in passing that motion, and the Senate would also be doing a useful thing by passing the same motion to show that the Parliament of Canada is speaking with one voice to the Government of the United States, to the United States administration and, yes, to the people of the United States, in asking that action be taken to protect our Canadian environment.

This spill on June 4 at the Cherry Point refinery just a few miles away from British Columbia consisted of some 12,000 gallons of oil. Some damage was done. Senator van Roggen, who seconded this motion, will be giving some indication to the Senate of precisely what has happened in British Columbia and the reaction of its people. The spill, only a few thousand gallons, is merely an indication of

what might happen if there were a serious disaster such as the breaking up of one of the large oil tankers.

In the last war oil tankers were of a size of some 16,000 tons. Today they are being constructed, and are on the oceans, in sizes up to 300,000 tons. A major disaster caused by a spill from one of these huge tankers could result in not 12,000 gallons of oil being discharged but anywhere up to 2.35 million gallons.

While we are following the House of Commons in presenting this motion, the Senate is not a Johnny-come-lately so far as taking a position on this particular question is concerned. Last year the House of Commons had a one-day debate on March 15 discussing a resolution opposing the Trans-Alaska pipeline. There was no formal conclusion. It is obvious from the debate that the Commons was opposed to the Alaskan pipeline system.

Following that debate I had the honour to move in the Senate a motion, seconded by Senator John Macdonald, on April 1 in these terms:

> That this house opposes the Trans-Alaska pipeline and tanker project and urges the government to proceed with the various economical and ecological feasibility studies of alternate routes and to report from time to time upon the most appropriate steps that in the government's opinion may from time to time be taken to accomplish the prudent and efficient transportation of northern oil and gas.

Following the presentation of that motion there was a considerable debate in the Senate, and the terms of the motion were referred to a Senate committee. One of the witnesses invited to appear before that committee was David Anderson, Member of Parliament for Esquimalt-Saanich, who was doing then and is still doing a marvellous job in promoting policies to protect Canada's environment. He gave us some very useful information and made an excellent presentation. Following that presentation a report of the committee was made to the Senate, and the Senate passed this motion by way of approval of the report on June 29, 1971. So, honourable senators, the Senate has taken a stand in the past and I am confident it will take a similar stand at this time.

This is a very, very difficult problem for Canada as it is a very serious problem for the United States. That country wants to move its oil from Alaska by pipeline to the Port of Valdez and then by tanker down to the Cherry Point refinery and other refineries situated along the west coast. Those who understand the straits between Vancouver Island and the mainland, and who understand the problems of navigating the seas west of Vancouver Island, are absolutely convinced that if this project is proceeded with and oil is taken by tanker down Canada's west coast, at some time there is going to be an extremely serious disaster that will cause untold damage to Canada's west coast and to Canada's environment.

Therefore the Canadian government and the Canadian people have been pressing upon the United States the need to consider an alternate route to protect our environment. Feasibility studies with regard to a pipeline are nearing completion. We see in this morning's newspaper that there is to be a consortium of oil and gas pipeline companies and other companies prepared to proceed at an early date with the construction of a gas pipeline down the Mackenzie. There is every inference and every possibility that they will soon announce that they would also be prepared to construct a pipeline to carry oil. The spill was at Cherry Point in the United States, but a great deal of the damage was done to Canada's coast. When a refinery was constructed at Cherry Point some years ago, there was no talk of a Trans-Alaska pipeline; the oil going to that refinery was going through Canadian pipelines by way of an inland route. We have said to the United States that we are prepared to supply oil to the Cherry Point refinery by an inland pipeline which would ensure that the kind of disaster which took place on June 4—or an even greater one—would not be repeated. However, our representations so far appear to have fallen on deaf ears. This is not a matter of one political party taking a stand. This is a matter where members of all political parties in both Houses of Parliament have taken a stand.

• (1420)

It is clear from the *Debates* of the House of Commons that the members are united in this matter. Prime Minister Trudeau pointed out the dangers of the Trans-Alaska pipeline to President Nixon when he was in Ottawa in April, and he asked that consideration be given to an inland pipeline. Three Canadian cabinet ministers, the Minister of Energy, Mines and Resources, Mr. Macdonald; the Minister of the Environment, Mr. Davis, and the Secretary of State for External Affairs, Mr. Sharp, met with Secretary Rogers during that same period to impress upon him the dangers to Canada if the United States should proceed with the Trans-Alaska pipeline system.

The House of Commons took further action on May 15 and set a precedent by passing unanimously and without debate a motion dealing with external affairs. This motion appears on page 2245 of the House of Commons *Hansard*, as follows:

> That this house herewith declares that the movement of oil by tanker along the coast of British Columbia from Valdez in Alaska to Cherry Point in Washington is inimical to Canadian interests, especially those of an environmental nature,
>
> And further, that this resolution be forthwith transmitted to the Government of the United States of America in order that that government be apprised of the concern that the House of Commons of Canada has about the proposed movement of oil.

The Secretary of State for External Affairs had this motion delivered to United States authorities the following day.

As I indicated, last Friday the House of Commons passed, in identical terms, the motion which is now before the Senate. I hope that the Government of the United States will listen. What more can we do when the Prime Minister makes his position clear, the cabinet ministers follow through, the House of Commons and the Senate follow through, and public administration opposes the events which are occurring? On May 12 the administration in the United States announced that they were prepared to proceed with the Trans-Alaska pipeline system. I do not think this is as discouraging as it looks, because there are powerful organizations within the United States which are opposed to this pipeline system as well. They

are voicing their opinions, and I think the fight within the United States has by no means ended.

The Government of Canada has done its best. The House of Commons has passed resolutions. The next thing that might be done would be for a delegation of members of Parliament and senators to go to Washington to impress upon the members of the House of Representatives and the Senate the great fear that Canada has of the possible danger to Canada of the Trans-Alaska pipeline system. By so doing they would strengthen those forces in the United States which are opposed to this pipeline system. We might have a powerful ally in Senator McGovern. We might have a powerful ally in Senator Humphrey. There is a Canada-United States Interparliamentary Group, of which distinguished members of the Senate are members. That is a forum where the Canadian position can be delivered most forcefully and, in my opinion, with important effect.

I suggest that the matter we are now considering is important, constructive and something that the Senate can and should do as quickly as we can come to a decision. Our action might just have sufficient effect to make the difference in the United States decision.

When we took a position with regard to this in the Senate last June and passed a motion unanimously, it seemed to be almost totally disregarded by the news media of this country. Sometimes I do not think they really know what news is. I should think that a motion passed unanimously by the Senate of Canada regarding such an important question would be worthy of widespread publicity in Canada and the United States. I suggest that the prestige of the Senate of Canada, added to that of the House of Commons and the Government of Canada, will have an important bearing on future development. I am confident that in the long run the Trans-Alaska pipeline system will not go forward as is now projected and that the environment of Canada will in fact be protected in the years ahead.

Hon. George van Roggen: Honourable senators, it gives me particular pleasure, as a British Columbian, to second this motion of Senator Argue. The motion passed in the other place last week was put forward by another British Columbian, the member for Fraser Valley East. In the course of the debate in the other place the motion was amended, the last few lines of the motion we now have before us being proposed by the member for Yukon.

If I may interject a personal note, this takes me back, as the member for Yukon was my partner when I practised there many years ago. While we were partners at law, we were not partisan partners. This support of his, in the amendment which was included in the unanimously adopted motion in the other place, indicates the non-partisan nature of this motion. It was treated in a non-partisan fashion in the other place, and I know that it will be so treated here.

• (1430)

The wording of the motion which particularly impresses me is the reference to the movement of oil in various waters. I ask honourable senators to take particular note of the words, "in the narrow waters of the Straits of Juan de Fuca, Georgia Strait and Puget Sound".

Honourable senators who have had the privilege of visiting the west coast have an idea of the magnificent area encompassed by these waters. They are confined waters. It is not the open ocean. The area is dotted with a myriad of islands. The span of water between the islands is often not more than a few hundred yards, sometimes a mile. The widest point is probably not 25 miles. It is an area where the forces of nature cannot be relied upon to handle major oil spills. They cannot be entirely disposed of by nature in these narrow waters and the oil, washing up on the beaches and shores, can do irreparable and inconceivable damage.

Fortunately, the experiences of the past have served as warnings. There have been small spills. The spill which occurred the other day at Cherry Point amounted to between 4,000 and 12,000 gallons, an infinitesimal amount in view of the fact that tankers of 200,000 tons are to ply between these islands. About five or six years ago a small barge being towed by a tug sank in Howe Sound in Georgia Strait. A few tons of oil seeped from that barge, desecrating the beaches and affecting many hundreds of summer cottages in the area. It was two or three years before those beaches were again fit for use.

I referred particularly to the words "narrow waters" in the motion, as the motion makes no reference to transportation of oil on the high seas or out in the Pacific. It is unfortunate in one sense that so much of the discussion concerning the movement of oil has been related to the building of TAPS, a pipeline across Alaska. That pipeline has not yet been built. There is no movement of oil from Alaska to the Cherry Point refinery. The oil comes from Venezuela and elsewhere. I would not wish to say to the Americans that they must not carry their oil on the high seas 100 miles off our coastline from Alaska to California but what we object to is the transportation of oil in huge tankers in these narrow confined waters which we share as a common heritage with our friends in Washington State.

The Cherry Point refinery is the second refinery built at that location. The older refinery has been supplied for many years with Canadian oil from Alberta by means of the Trans-Mountain Oil Pipeline. The new Cherry Point refinery was obviously built by Atlantic Richfield in anticipation of Prudhoe Bay oil. It has been made clear by the Government of Canada that this refinery need not be discarded or dismantled but that it can be supplied oil from Canada via pipeline. They need not wait for the building of an oil pipeline down the Mackenzie—which as Senator Argue has pointed out will inevitably come—because there is ample oil in Alberta and an existing pipeline to supply that refinery without their bringing oil through these narrow waters.

So our objective is not to have Alaskan oil come to Cherry Point, and to keep oil from any source from being carried through these narrow waters in huge tankers. I might say that the tankers now being built to transport Alaskan oil to Cherry Point range in size up to 200,000 tons. When you think of the damage caused by the escapement of a few thousand gallons of oil, your mind boggles at the havoc that would be wrought by an accident involving one of these huge tankers. This must be prevented, and to this end every bit of weight must be added to that

of the Senate, the House of Commons, and the Government of Canada.

It has already been said by such men as Jacques Cousteau and Thor Heyerdahl that man is killing the oceans. Well, if man can possibly kill the oceans—and we all know now he can kill one of the Great Lakes—it would certainly be a simple matter for him to kill the confined island-dotted waters of a small recreational paradise such as the Strait of Georgia. It would be insane to bring these tankers into these waters, and it is essential that the Government of Canada press the United States in every manner possible to stop this proposed movement of oil. I would think there is no better place to start than by persuading the United States to have this matter referred to the International Joint Commission, as Senator Argue's motion suggests. Honourable senators, it gives me great pleasure to second his motion.

Hon. John J. Connolly: Honourable senators, I am certainly not an expert on pollution nor on the problems created by the movement of oil from Alaska to the State of Washington. Senator Argue, however, in the course of his very interesting discussion, and Senator van Roggen also, referred to the fact that the Canada-United States Interparliamentary Group might consider this problem and be an instrument for applying pressure on the American government.

Last February when these parliamentarians met here and at Montebello, this question was raised but it was not dealt with in any definitive way. However, I think it is wise to inform the Senate that the cards are not all in one hand in this case. On the occasion of the February meeting we were informed that Canada is not without blame in respect of oil pollution at sea. We were told that some Canadian flag ships which are moving oil are not equipped to do so and are the cause of considerable pollution. This particularly happens off the east coast of the United States and, perhaps, off our own east coast. Apparently all the bad guys are not in the United States when it comes to the movement of oil. Perhaps what applies to Canadian ships may apply to ships of other flag registries as well.

• (1440)

Hon. Mr. Molson: Will my honourable friend permit a question? I understood that we had no Canadian flag ships left which could be committing the offence he has just mentioned.

Hon. Mr. Connolly (Ottawa West): I was rather afraid I would get a technical question like that. The answer must be that I do not know, but this is what was said in the discussion we had with the American legislators last February. Perhaps they spoke of ships on Canadian charter.

In connection with the movement of oil from Alaska, one point specifically emphasized was that the new ships to be used on that run will have the very latest equipment. The chances of spill will be minimal. Ship movements will be controlled carefully with the aid of computers, and there will be air cover and ample warning of adverse weather conditions. Perhaps this is no assurance that there will not be monumental spills. But I think the Senate should be alerted to the fact that there is an argument made by responsible people to the effect that all of this proposal is not bad. We all want to be extremely fair that in approaching this problem both sides of the case are thoroughly aired, and I am sure this could be done by the International Joint Commission.

Senator van Roggen also said, for example, that nobody would object if American tankers were going to move between Alaska and a refinery on the American mainland farther south, 100 miles out at sea. This may be the answer. Perhaps instead of going to a port close to the existing refinery it might be possible for these tankers to go to a port farther away and have the oil from Alaska piped into the Cherry Point refinery, which I understand has recently been enlarged, if it has not only recently been installed.

I rise only because I thought it would be of interest to Senator Argue and other honourable senators to know that there had been at least a cursory discussion of the very problem that is the subject matter of this motion at the last meeting of the Canada-United States Interparliamentary Group.

Hon. J. Harper Prowse: Honourable senators, I should like to support this motion, and I propose to do so very briefly.

Senator Connolly suggested that Canadian flag ships—whatever they may be—are leaking oil as they sail by the east coast of the United States. I presume he is referring to ships transporting oil from Venezuela to Montreal or other refineries on our east coast—ships bringing offshore oil to Canada.

Our oil-producing companies in Alberta are cut back on a pro-rata basis to the point where they are producing 40 per cent of what is considered to be their safe geological productive capacity. In other words, we have deliberately cut back in order to keep an orderly market. That might open up another matter for discussion, but the fact is that we have in western Canada today sufficient oil to supply all of Canada. That is one point.

The second point is that the oil companies have discovered oil in Prudhoe Bay for which they can reasonably expect a market. If they start bringing it into Cherry Point one-third of the export market for Canadian oil will be lost; it will be replaced by oil from TAPS. That may or may not be of benefit to the Americans, but there is no way in which it can be interpreted as being of benefit to Canadians—in either having people explore for oil, or having people who have already discovered it look for a reasonable return on their investment.

I have another suggestion to make. I will not put it in the form of an amendment to the motion; I offer it merely as a suggestion. In the last Canadian-Japanese Trade Council publication, which we all get, it was pointed out that the Japanese at the present time have a balance of just under $14 billion of American money. In other words, in their sales around the world they have collected 14 billion American dollars which they are not spending on American products. There is a simple solution to this. Japan is a country that is in need of energy, which is synonymous with oil. Let those tankers with dead weights of 200,000, 300,000, and now 400,000 tons transport that oil from Valdez to Tokyo. All of those tankers transporting all of the production from Prudhoe Bay would still not be able to meet the needs of the Japanese energy market.

The transportation of that oil across the Pacific to Japan would provide two benefits. First, the Canadian environment would not be interfered with. Secondly, by purchasing this oil the Japanese might be helping the Americans out of their difficult economic position, for which every one of us in the western world has to pay today.

Honourable senators, I simply offer those suggestions. That is all I have to say. I hope the motion will pass, and that somebody in a position to do something will at least consider carefully the suggestions I have made.

Hon. Guy Williams: Honourable senators, I have seen the spill. I live only a few miles from it. You have no idea of the condition that these oil spills leave a beach in. It may be somewhat fortunate that the sea birds and the fowl have already migrated in great numbers out of the area. You may not have read of the bird death rate caused by this spill, but it is high. Other forms of life on these beaches, which are fed on by other and larger fish, no longer exist. It interests me to hear the reference to narrow waters. The motion should have gone beyond that and said "narrow waters and treacherous tidal currents," which at times make navigation of the large and heavy tonnage ships difficult.

• (1450)

Honourable senators, I speak in support of this motion. You would have to see that spill to know the extent of the damage that a major oil spill will cause to the entire coast of British Columbia.

Motion agreed to.

CANADIAN FILM DEVELOPMENT CORPORATION

MOTION TO AUTHORIZE STUDY OF ADMINISTRATION AND OPERATIONS BY HEALTH, WELFARE AND SCIENCE COMMITTEE—DEBATE ADJOURNED

Hon. Renaude Lapointe moved pursuant to notice:

> That the Standing Senate Committee on Health, Welfare and Science be authorized to examine and report upon the administration and operation of the Canadian Film Development Corporation.

[*Translation*]

She said: Honourable senators, the subject with which I am going to deal is entirely different from the previous one. The Canadian Film Development Corporation has been in existence five years. Most of my honourable colleagues will recall that when this legislation was discussed here in the Senate, the principle of the bill was approved by all senators. However, during the debate, a few speakers expressed some concern as to how the $10 million allocated to the corporation would be administered.

When going through reports of this debate held on March 2, 1967, I noted that the sponsor of the bill had suggested that the new corporation be given the time to get organized, adding that after a few years of operation, a Senate committee should examine and analyze its performance.

On two occasions, in June 1970 and May 1971, the Standing Committee on Broadcasting, Films and Assistance to the Arts, in the other place, invited the Chairman, Mr. Gratien Gelinas, and the Executive Director, Mr. Michael Spencer, to give evidence and account for the activities of the corporation.

As five years have gone by since the corporation was set up, I suggest that it might be useful for the Senate to examine the administrative procedure and the activities of the said corporation and also to provide an opportunity for all persons interested in the Canadian film industry to appear before a Senate committee to express their views on the efficiency or inefficiency of the Canadian Film Development Corporation. We could thus know whether it is in a position to reach the goals that warranted its establishment. Would it not also be useful to hear from those people their ideas and suggestions to improve the operations of that corporation?

Upon her appearance before the Senate Committee on Banking, Trade and Commerce, on March 2, 1967, the then Secretary of State, the Honourable Judy LaMarsh, stated that before the passage of the legislation creating that corporation, Canada was, along with the United States, one of the few developed countries that did not provide any financial help to the film industry for the production of feature films.

Three years later, upon the second appearance of Messrs. Gélinas and Spencer before the Standing Committee on Broadcasting, Films and Assistance to the Arts, on May 6, 1971, the chairman, Mr. Gélinas, pointed out that the corporation's first preoccupation was to find a good script, which would allow them to make a good movie, and to find producers of a higher level which, according to him, was not easy. The executive director, Mr. Spencer, added the following:

> One thing we did not know when we began, which we have discovered, is that you can have a feature film industry in the correct sense of the term; namely, an industry which earns a certain amount of money and is reasonably self-supporting. However, it is very clear that if you want to have an industry which also produces films of international acceptability, you have to raise the standard of the writers, the performers and the directors.

The third problem, he pointed out, was the problem of distribution of films throughout English Canada, on account of the influence of the American industry on English-speaking Canadians, and the problem concerning the control of movie theatres by American corporations.

While stating that fact, Mr. Spencer went on to say:

> So I think we are arriving at the point of trying to decide whether we should take an action which might be, for instance, that the corporation would own some theatres or we should go to the government and say that we think we should own some theatres because we think if we did we would get a better show of Canadian pictures than the present film industry provides. This is a possibility which we have considered.

The suggestion was also made to impose quotas for Canadian films to movie theatres in this country. And not long ago the Czech director, Jiri Weiss, while visiting Toronto, as a member of a jury on Canadian films, strongly recommended the imposition of such a quota. In his view, that is the only way the domestic film industry can survive in some small European countries.

On the French side, the distribution problem is much less acute. Canadian films are welcome and well-attended. It is said that distributors who lose money in Quebec are the very ones who do not show Canadian films.

By May 6, 1971, the corporation, according to Mr. Spencer, had in circulation 14 pictures which have paid back part of their investment, that is about $100,000, while some 50 others were in preparation.

A study by a Senate committee of the work performed by the corporation would show us what can be done to better promote that industry; such a study would provide the producers and all those concerned with that art an opportunity to state their views. Probably such a study would not take more than ten sittings and would involve limited costs. The English-speaking members of the committee might listen to the representations of the Ontario producers while the French-speaking members might meet the Montreal producers.

As a movie critic for many years, I was closely interested in this industry in general. In 1966-67 I welcomed as many others did the creation of this corporation which gave a tremendous boost to our movie-makers. A few weeks ago, the French Canadian producer, Gilles Carle, rightly said about the corporation that:

> —it is the only public national organization which has worked and helped everybody. But I do not know how long this will last.

As for Darryl Zanuck, a Hollywood veteran, who recently was in Toronto for the distribution of awards to Canadian movies, he said that we can be proud of our film industry which is much more alive than that of many countries he has visited.

In fact, our private film industry is now a $43 million business—let's not forget it, $43 million—with $25 million in Ontario or about 59 per cent. Moreover, the movies made by private industry have nothing in common with those nice little productions the National Film Board is famous for. Someone has even written recently that our Canadian feature movies had "the shaggy magnificence of a roaring lion." However, a film producer has suggested that only one Canadian film industry is a dream since there are two cultures in Canada which it is difficult to bring together.

As for feature movies in French, producers suggest they are too costly for the small Quebec market and they are not acceptable to the French market because of the Canadian accent. And yet we Quebecers are clever enough to understand all French films, whether the actors speak with an accent from Paris, from Marseilles, from Berri or Auvergne, from Belgium or Switzerland or the colonies. Let us note, however, one rather extraordinary success in Canada, that of a very sexy but very amusing film: "Deux femmes en or," which cost $225,000 and brought in $2.5 million in Quebec alone and attracted one million Quebecers.

This year again, two Canadian features have been accepted at the Cannes Festival, one in English—"A Fan's Note" by Eric Till, which cost $850,000—and the other in French, "La vraie nature de Bernadette" which cost $328,000, an amount that the producer Gilles Carle is sure to be able to pay back in very little time.

[Hon. Miss Lapointe.]

A few weeks ago the Secretary of State, Mr. Pelletier, announced that he intends to decentralize and degovernmentalize culture and to give private industry a larger piece of the federal cake. He also wants, he said, to redefine federal agencies, amongst which are the National Film Board, the CBC, the Canada Council and the Canadian Film Development Corporation. At a time when big decisions are also about to be made by the Ontario and Quebec governments concerning the film industry, it might be extremely interesting for us to stay and see where we stand.

I hope that several honourable senators will want to take part in this debate and tell us what they think of this suggestion. We have here a growing enterprise which groups an already important number of really talented people and to which the government has been able to give vigorous impetus. This impetus can become even stronger if a short investigation, which will in no way resemble an inquisition court, enables us to determine the failings and inadequacies in the legislation or in the operation of the corporation itself which so far may have slowed down the progress of that industry which in other respects is most promising.

• (1500)

[*English*]

Hon. Donald Cameron: Honourable senators, I rise simply to support the suggestion of Senator Lapointe, which I think is a good one. I was one of those who participated in the original discussions in 1967, and I welcomed the establishment of the Canadian Film Development Corporation because I thought it represented an opportunity to give encouragement to the creative arts in Canada for the reason that the film industry draws on all of them. I also felt it was an opportunity to develop a promising Canadian industry.

Nothing that has happened in the interval between 1967 and now has changed my mind on that. In fact, I believe the setting up of the Canadian Film Development Corporation has been more than justified. However, it is timely that after five years we should take a look at it to see whether we are developing the potential we should, and to see what means we have of really expanding this phase of Canadian life.

I wholeheartedly welcome this suggestion. I realize that as time is short we will probably not be able to get it under way before the fall, but I must say that it is a worth-while effort and I hope the Senate will concur in it.

Hon. Mr. McDonald: Honourable senators, I rise only to indicate that two senators who are not present this afternoon, because they are engaged elsewhere, have expressed to me their desire to speak on this motion at a later date.

Hon. Mr. Lamontagne: Honourable senators, it is also my intention to speak on this motion and for that purpose I should like to move that the debate be adjourned until next week.

On motion of Hon. Mr. Lamontagne, debate adjourned.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

DATES AND RECORDS OF COMMITTEE MEETINGS—QUESTION

Hon. Rhéal Belisle: Honourable senators, I notice that the Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration is not present, and I had wished to ask him a question. Perhaps the Leader of the Government will take note of my question. I wish to know when the last meeting of the Committee on Internal Economy, Budgets and Administration was held and when the next meeting will be held. Moreover, as a member of that committee, I want to know if I can be supplied with the full record of the meetings for the last two years.

Hon. Mr. Martin: I will ask Senator McDonald to answer your question.

Hon. Mr. McDonald: The reason the Chairman of the Committee on Internal Economy, Budgets and Administration is not present at the moment, Senator Belisle, is that he is engaged with some officials of the Senate in collecting information and preparing an agenda for a meeting of that committee which we hope to hold next week.

In the meantime I shall try to furnish you with the information you have requested so that you can have it before that meeting is held.

Hon. Mr. Phillips: May I ask a supplementary question, Mr. Speaker? I understand the House of Commons staff has received pay increases recently. I wish to know whether pay increases for the members of the Senate staff will be on the agenda referred to, as well as consideration of the Clerk's report?

• (1510)

Hon. Mr. McDonald: I cannot say yes or no at this point, but I can inform the honourable senator that this is one of the subjects being discussed by the chairman at this very moment.

PUBLIC SERVANTS

IMPROPRIETY OF MAKING SPEECHES ON MATTERS OF POLICY—ORDER STANDS

On the Order:

> Resuming the debate on the inquiry of the Honourable Senator Forsey calling the attention of the Senate to the impropriety of public servants making speeches on matters of policy.—(Honourable Senator O'Leary).

Hon. M. Grattan O'Leary: Honourable senators, on a question of privilege, I should like this order to stand. I must say in all candour that I dislike the way in which one party in this house, having a vast majority, monopolizes the discussion.

Hon. Mr. Martin: Honourable senators, I am sorry to hear Senator O'Leary say this. Senator O'Leary knows how anxious I have been to listen to his contribution to this debate. It was for this reason that Senator Lamontagne adjourned the previous debate. The matter raised by Senator Lapointe is one on which any senator could speak. I want Senator O'Leary to know that there certainly has been no effort at any time to monopolize the discussion.

Hon. Mr. O'Leary: Is there no way by which the government side can control their own speakers on matters before the house? Surely you can control the Order Paper to some extent. Three speeches were made today which I think were very good speeches, but they were not at all essential. Why in the name of heaven cannot we on this side of the house, who are in such a great minority, get a chance to make some use of the time spent in the house? I dislike it intensely. It is very unfair, and I must say that it is entirely characteristic of the Liberal Party when it is in office.

Hon. Mr. Martin: Honourable senators, I am sorry to hear Senator O'Leary say that. He knows very well that I have suggested to him that he should participate in the debate initiated by Senator Forsey instead of discouraging members of his party from taking part. I am sure you will agree that the charge he has laid is not fair in light of the fact that we on this side of the house have urged him—and I personally have urged him—to speak because of his outstanding qualities as a speaker.

When Senator Lapointe spoke it was not in any way intended to prevent any other honourable senator from taking part. Furthermore, I do not think it is up to any senator to say to another, "You cannot speak in this particular debate." If a member of the Opposition wishes to speak then every effort should be made to alternate the speakers between the government side and the opposition side. If Senator Lapointe is to be followed by a senator from this side of the house, it is simply because at the moment no senator on the other side is prepared to take part in the debate. There certainly was no intention to monopolize the debate, and nobody knows that better than my friend Senator O'Leary.

Hon. Mr. O'Leary: I am sorry to have to say it, but I cannot accept the explanation given by the leader. Even though I yielded the floor, I was still prepared to proceed. But why should two Liberals speak, one after the other? As I say, I was prepared to speak, but Senator Lapointe looked at me and I yielded the floor whereupon she launched into another long speech. I have sat here for two hours prepared to speak on this motion and I think, even as a simple matter of good manners, you should have permitted me to speak.

Hon. Mr. Choquette: You have this on the record.

Hon. Mr. Martin: Don't be so cross with me.

Order stands.

HEALTH, WELFARE AND SCIENCE

LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE CONTINUED

The Senate resumed from Tuesday, May 30, the adjourned debate on the motion of honourable Senator Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. Charles McElman: Honourable senators, when this motion was put on our Order Paper by the honourable Senator Haig on April 26 last we had already entered a difficult year of labour-management relations in Canada, and some predict that it may well become, if it has not already become, the worst in our history.

When this motion was introduced, Canadians had already suffered through the work stoppages, involving the federal Department of Transport, the air traffic controllers, the airport technicians, and the airlines, which had seriously affected the economy, caused immense public inconvenience and antagonized a large segment of the general public.

Irrespective of the cause of the then recent work stoppages, and whether the responsibility rested with management or organized labour or both, the public was saying, "Enough!" From the public at large and the mass media there were demands for action to bring an end to such costly and exasperating strikes, particularly those in the Public Service. Instant solutions were available from many quarters—compulsory arbitration, compulsory and binding arbitration, labour courts, removal of the right to strike by Public Service unions, and so on.

So, honourable senators, when this motion was introduced, the public was already in a reactionary mood, first, against strikes; second, against unions; and third, against government because it had respected the recognized procedures of collective bargaining and had not intervened against organized labour. Perhaps one might reverse the order of priority in the public mind to make it, first, against government; second, against unions; and third, against strikes.

Whatever the priorities, the public mood, as I have said, was reactionary in April of this year, and it was against labour. That was not at all surprising, since the public receives its news, news commentary and editorial comment from a predominantly management-oriented mass media, particularly the daily print media.

At this point I should be totally candid and say that in my opinion the cause of these stoppages by air traffic controllers and airport and other technicians was that of management. I believe that management, the government agencies involved, had quite accurately assessed the public mood at the time in both instances and felt that they could hold out until public opinion scorched the unions into submission. With air travellers and ships at sea as the prospective victims in this game of Russian roulette, something had to give, and it did. With public sentiment being what it then was, time lay heavily on the side of management, and they knew it.

However, unions and their negotiators are not without fault. Too many leaders—and this applies to both labour and management—have fallen prey to one of the disturbing illnesses of our time, namely, public confrontation. The militant labour leader is happiest when he gets a time slot on the national news of one, or both, of our national television networks. He makes provocative statements that render useless the next day's negotiating sessions. Exactly the same thing applies to the militant management representative. Both are the darlings of many TV journalists and producers. They are newsworthy. They are also the instigators of work stoppages.

[Hon. Mr. Martin.]

• (1520)

Responsible labour and management negotiators shun the TV cameras like the plague. They fear being cut up in the TV editing room before they reach the sets in the homes of the Canadian public; and they abhor the provocative questioning of sensation-seeking interviewers. They are the bane and the despair of many so-called newsmen. The negotiating process itself has suffered badly in recent years. The basic elements of good faith and integrity have been eroded.

Too often, when contract negotiations get under way, the union says, "We need so much in wages, pension fund improvements, safety measures, fringe benefits, et cetera, so for starters we will double that amount in our initial demands and gradually water it down to what we really will be prepared to accept." At the same time, management too often says, "We can afford a total package that will mean an increase of 'X' percentage points, so for starters we will slice that in half. Then we can afford, over a period of bargaining, and perhaps a strike if necessary, to give ground up to that point."

Honourable senators, I suggest that is not bargaining in good faith by either side. It is irresponsibility on both sides. It is the stupidity that leads to strikes, lockouts, confrontations, public frustration and anger. It presents a grave danger to the whole process of collective bargaining—a process that works, and works well in a vast majority of labour-management contract negotiations, the vast majority that are successfully and peacefully concluded without strikes or lockouts, the vast majority of which we hear little or nothing from the mass media. Good news is not news, and the lack of its publication gives imbalance to public opinion and leads to the type of reaction we have from the public today.

I repeat that these were the circumstances and the public mood when this motion was brought before us last April. And at that time I thought that surely the Senate should not hold an inquiry on such a volatile subject in the midst of a period of stress, emotion, anger and reaction. I did not believe it could get balanced testimony from witnesses. I did not believe it could reach well-balanced conclusions in such a charged atmosphere. Unfortunately, the general public image of the Senate is not the best to begin with, and something less with organized labour. If we were to put such an inquiry into the hands of a committee with the unlikely name of "Health, Welfare and Science," we would be ridiculed beyond endurance.

At the same time, honourable senators, I did, and do now, understand fully the frustration, anger and sense of good purpose that motivated the honourable Senator Haig to present us with this motion. What we could not know at that time in April was that the work stoppages we had then experienced were merely a prelude to those that were to follow in the public service of municipal, provincial and federal governments. It is becoming a "hot" year—stinking and health-endangering garbage strikes in Toronto, Montreal and Vancouver, strikes of municipal workers and the whole construction industry in British Columbia, a strike of transit workers in Halifax, and a general strike of over 200,000 workers in the Province of Quebec. And on and on it goes across the country. There are all the earmarks of a hot summer ahead because there

are many delicate negotiations occurring in both the private and public sectors.

Most of this is due to the fact that both management and organized labour have permitted public confrontation and intransigent positions to replace good faith and integrity in the collective bargaining process. Some of it is due to totally irresponsible labour leaders who are misusing the trust and authority of their union members for political, ideological and revolutionary purposes. And some is due to highly irresponsible management which is misusing reactionary public support for the short-term gain of higher profits and unfair contract settlements with their workers.

However, the responsible majority of both labour and management representatives are rapidly realizing that the irresponsible few have been forcing them down a dangerous road—a road that spells misery for labour, management, the general public, and our national economic and social objectives. And those responsible leaders of both management and labour are actively working to restore sanity and good will in the established system of labour-management relations in this country.

Honourable senators, let us not forget that most representatives of management accept and are prepared to live within the law and recognized processes that govern labour-management relations in Canada. Let us also remember that labour knows better than anyone else that strikes, work stoppages and lockouts work their greatest hardship upon workers and their families. A great majority of labour leaders carry this fact as their principal term of reference into all contract negotiations.

And let us not forget, despite all the sensational publicity associated with work stoppages, that the vast majority of contract negotiations are carried out successfully, including those affecting public servants, without strikes, lockouts, work-to-rule, plant shutdowns, or any other disruptive occurrences, to the mutual satisfaction of both management and labour and in the public interest. That record of successful bargaining is, I believe, the proof that our law and accepted procedures in labour-management relations are not at fault in the disruptive strikes and lockouts that have so greatly aggravated the general public. The fault lies with an irresponsible minority who have failed or refused to act in good faith within the existing structures of law and procedure.

I do not believe that a generally effective and acceptable process for collective bargaining in our nation should be destroyed by precipitous reaction against the minority of irresponsible leaders in both unions and management.

Both management and labour are working hard and agonizingly to overcome the problems in their midst. They have successfully met equally thorny issues and problems in the past. I have faith that they will do so again if we will but leave them to do so. And recent events in Quebec and other provinces give us good cause to hold that faith. Provincial and federal governments are currently conducting studies to overcome problems that have arisen recently in the process of labour-management negotiations. This Parliament currently has before it extensive amendments to the Canada Labour Code.

• (1530)

Honourable senators, there is the old adage: Too many cooks spoil the broth. I have been trying to say, perhaps poorly, that in current circumstances the Senate would be one cook too many in this particularly tense situation. With all due respect to Senator Haig, I hope that this house will not approve such an examination at this time.

On motion of Hon. Mr. McDonald, for Hon. Mr. Goldenberg, debate adjourned.

Hon. Mr. Martin: I remind honourable senators that there is to be royal assent at 5.45 p.m. I know we will be here in large numbers.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

> An Act to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 20, at 8 p.m.

THE SENATE

Tuesday, June 20, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

THE SENATE

REFLECTION UPON THE INTEGRITY OF THE CHAIRMAN OF BANKING, TRADE AND COMMERCE COMMITTEE—QUESTION OF PRIVILEGE

Hon. Salter A. Hayden: Honourable senators, I rise on a question of privilege, under Rule 39 of the Rules of the Senate, which reads as follows:

> A senator considering himself offended or injured in the Senate, in a committee room, or in any of the rooms belonging to the Senate, may appeal to the Senate for redress.

The particular thing I want to refer to is a statement which was read by a member of the Standing Senate Committee on Banking, Trade and Commerce, Senator Croll, last Wednesday morning, June 14, at a sitting of the committee, in which in part he reflects upon the integrity of the chairman.

You have before you excerpts from the transcript, because the printed record is not available as yet. The unrevised transcript is ready and has been available to the members. In the course of the statement which Senator Croll made, critical of the outline of the course of action which I proposed for the committee, he said:

> In addition to that—

That is, in addition to the other things he had said earlier, and which I will deal with later.

> —my third objection is that I consider it highly improper and unethical for two members of the chairman's law firm to appear before a committee as experts, to be anointed with the mantle of the prestige of the committee and the advantages that can flow from that. For that reason I object to the procedure taken, until such time as the bills come before us for examination.

Now, I can tell you that no member or members of my firm appeared before that committee on that morning. There were two tax experts who were before the committee that morning, and they were the same tax experts whom the committee engaged in September of 1971 when we were about to start on our study of the income tax bill, Bill C-259. They were Albert Poissant, who is a senior partner in the accounting firm of Thorne, Gunn, Helliwell and Christenson of Montreal, and Charles Mitchell, who is the senior partner of the same firm operating out of the Toronto office. These two men worked with us throughout the whole period when we were engaged in hearing representations last fall; when we were analyzing the briefs that were submitted; when we were preparing the reports which we submitted to this chamber; when we were preparing the drafts of amending legislation which we were proposing in those reports. When we were considering the matter of budget resolutions and the planning and the organization of our meetings in order to determine how we should deal, in May of this year, with the reference from the Senate to the committee, we called upon these same tax experts again and they appeared before the committee that morning.

In order to follow a certain sequence, then, we started out with a statement that was entirely incorrect and unfounded. The next thing that happened—and it shows just how quickly there can spread the whole way across Canada a statement which is vicious in its allegations and which is untrue—was that that afternoon in the edition of the Toronto *Star* an article appeared quoting word for word what I have just read to you, which Senator Croll read in the committee that morning. The article then went on to say:

> Two lawyers from McCarthy and McCarthy were appearing before the committee today in support of Senate recommendations on tax reform that had earlier been rejected by the government.

There were no two lawyers. There were no lawyers, except the chairman, who is a lawyer and who is the senior partner in the McCarthy and McCarthy firm. That was the only representation from that firm before the committee that morning.

• (2010)

The next day I was in touch with the Toronto *Star*. I should mention that they have organized what they call a "Toronto *Star* Accuracy Bureau," and I told them that they had written up the purpose of this so completely that I thought they were sincere and that they would be interested in my further statement to them that they had made an absolute incorrect statement of the facts. The next day they published a correction but, I would say, did no more than lip service to the question of accuracy, because having referred to the article they simply said that no member of the firm of McCarthy and McCarthy had appeared before the meeting that morning.

The next thing that happened was that on Wednesday afternoon a representative of the Canadian Press went to the Senate Reporting Branch and asked to see the unrevised transcript, and it was shown to him. He remained there for a while and read over the transcript, and then we find in the *Journal* a CP dispatch which, as I learned later, went as a service of CP the whole way across Canada the next day. In this dispatch there is, of course, an exact quotation of the statement which I read to you earlier, which Senator Croll made against me and my position, alleging highly improper and unethical conduct in bringing two members of my firm to this committee, the idea being to establish prestige for them so that they would be able to attract business, and I assume that means to earn dollars.

This CP article went even further, honourable senators. It was more extensive in its quotation, but when it came to dealing with persons appearing before the committee that morning of June 14 they had had the benefit of reading the transcript, and they discovered that the two men to

appear were Albert Poissant and Charles Mitchell, so in order to tie that in to Senator Croll's statement, for whatever the purpose might be, they then said "the advisers Albert Poissant and Charles Mitchell are both employed by the Toronto law firm of McCarthy and McCarthy of which Senator Hayden is a partner." To make that statement indicates how utterly nonsensical it is. These two men are partners in an outstanding chartered accountancy firm in Canada and they are not now and never were employees of the firm of McCarthy and McCarthy. The attention of CP was directed to this late on Thursday evening, the item having appeared in Thursday's edition of the *Journal*.

Nothing occurred until Monday of this week when I called the number two man in CP because the number one man was away, and said, "Now, you have a complete misstatement; you just cannot appoint people to work for our firm, and they may not want to do so," and that certainly they did not work for our firm. I suppose he must have been on the telephone with me six or eight times that day trying to achieve some sort of correction, and I told him that the correction was something he had to make, that I was not going to make it for him. I asked him if any other source had approached him in connection with this misstatement of fact and he said no. So in the two cases where the correction took place they were really initiated by my telephone call and letter to the editor of the Toronto Accuracy Bureau, and a telephone call to the number two man at CP.

I cite this merely to illustrate how quickly a misstatement, whether deliberate or otherwise, in which is contained a series of allegations of impropriety, when it becomes embarked on its way, moves across Canada. The Canadian Press serves a major number of daily papers across Canada. I think that is a fair statement.

Honourable senators, having stated that, I will tell you the only possible references which could be made to the two members of my firm in relation to this committee. When we were about to begin our hearings in September of last year in connection with Bill C-259, to amend the Income Tax Act, and while we were still receiving briefs and before we had studied any of them, I suggested to the committee that since this was a very complicated bill perhaps a little education would help members of the committee. I indicated that we had two men in our office who had prepared a series of lectures for the continuing education program of the Law Society of Upper Canada. These lectures were for the benefit of the practising profession in Ontario and were being delivered to members of the profession. I indicated that if the committee thought this kind of education, along with a question and answer period and blackboard demonstrations, would be of value or would serve any purpose, I would offer this service on the stipulation that there would be no fee, no remuneration other than out-of-pocket expenses for travelling to and from Ottawa and for living in Ottawa.

They appeared on three occasions, September 29 and 30 and October 7. From October 7 to this date these men have not been consulted by the committee; they have not been before the committee; they have not taken any part in the hearings or in the analysis of any briefs which were submitted; they have not taken any part in conferences with our advisers, in the drafting of our reports to this Senate, or in drafting legislation to cover recommendations which we made. They have not been part or parcel of these proceedings at all. October 7 was the last day on which they appeared before the committee.

I mention this to illustrate how carefully I hoped I was proceeding so that members of my firm would not be identified with the affairs of this committee. I insisted the committee could have the services of these two men if they considered them of value, and they invited the men, and they appeared as witnesses before the committee.

Senator Croll did not attend many meetings of the committee. However, he was at a meeting on December 13 when we considered our final report to the Senate, and that report was given that evening. In that final report we were making the usual acknowledgments and thanking the members, staff, and any person or group contributing to the sum total of the work we were doing.

• (2020)

I recall very distinctly Senator Croll's presence, because in that report we had listed important headings in the income tax bill, and the references to where the development of these headings in the evidence of these two men could be found in the proceedings of the committee.

Then the following paragraph appeared in the report:

> The above references are to a series of lectures or explanations on the various provisions of Bill C-259 with section references. Your committee wishes to express its great appreciation to Mr. Arthur R. A. Scace and Mr. Stephen Smith and for their assistance. It should be noted that their services were given without remuneration—expressly so stipulated.

When it came to Mr. Poissant and Mr. Mitchell we said:

> Your committee retained the services of Mr. Albert Poissant and Mr. Charles B. Mitchell, senior partners in the accounting firm of Thorne, Gunn, Helliwell and Christenson. Their services were invaluable in every phase of the work of your committee.

I recall Senator Croll's participation in the discussion of that report because when we came to acknowledge the great contribution made by the Honourable Lazarus Phillips to the work of this committee as general counsel, he felt that we had not emphasized enough our appreciation of the quality of his contribution as against our remarks concerning these two men and their contribution. We made some changes in the language. Do not ask me what they are now; I could not tell you. In any event, we ended up by saying:

> Your committee wishes to acknowledge in a particular way the contribution of the Honourable Lazarus Phillips to our study of this Tax Reform Legislation and Bill C-259 as Chief Counsel to the Committee. You will recall he was Vice-Chairman of the Committee in its study of the White Paper Proposals. In the drafting of the Report of the Senate thereon and in the preparation of the several reports of the committee on its examination and consideration of Bill C-259, his advice and direction were invaluable.

There is the background of information which was available regarding this charge of highly improper con-

duct, in respect of which I may say that the Ottawa *Journal* in heading the CP report last Thursday used this language: "Senator Croll on attack." Then it says in great big black letters, over an inch high: "Hayden's conduct branded 'unethical.' " This is the heading for the article.

I think it is important that the first thing this chamber should realize is that the statement which was made in committee was not true. We should then realize how fast that untruth piled up and these men became employed by the firm of McCarthy and McCarthy, of which I am a partner, and also piled up to the extent of saying that these two men were there as tax experts. This is the chief charge which I find so offensive, because how does one defend against this sort of thing? The only mode of defence has to lie in the responsibility of the senator and his appreciation of that responsibility. When you realize how quickly the big lie can travel the whole way across the country, it becomes apparent that there is a tremendous duty on those who participate in public life and who are proposing to make criticism—and adverse criticism—to make very sure that their facts are right.

This is my main concern here. I am sure that the corrections which appeared in the Ottawa *Journal* today, and in the Toronto *Daily Star* last Thursday, will never reach all those who read the original. Some may read the corrections, and may not read the original. The correction—and honourable senators will note that there are no regrets and no apologies here; it is simply a correction—will never reach all of the people. But as far as my friends are concerned, I am confident that whether the correction reaches them or not is unimportant in so far as it may disturb their friendly relations with me. I know that the members of the Senate committee were unanimous, at the conclusion of our meeting the other day, in their support of the chairman and in the course of action which he took, notwithstanding the allegations contained in this statement.

Hon. Senators: Hear, hear.

Hon. Mr. Hayden: The one thing that I take pride in—after all, I have been in the Senate for over 32 years and have participated in many important debates—is the fact that I have accepted responsibility. I have explained complicated and intricate bills and, in so doing, have enlisted assistance in order that I might understand the measures more completely and provide the best possible information both for the committee and the Senate.

I shall not be deterred from that course because of this experience in committee. As long as I have the support of the committee and of the Senate I shall keep right on. I shall not allow myself to become engaged in any libel action over the sort of thing that has occurred, because that would be a waste of time. You have to stand on your own feet, and those who do not like you, as long as they are not overwhelming in number, can go their own way. That is the way in which I shall continue to operate, unless the Senate says, "No, you must not do that." I will continue to proffer assistance to any committee of the Senate from any outside source but not without first obtaining the express approval of the committee of the Senate concerned.

A situation might arise in the future where the committee might need assistance in understanding the complexities of a bill, and I might feel that I should first come to the Senate and explain what I propose to do and seek the approval of the whole Senate. In view of this attack, I might feel that I should go that far. However, time will tell.

I have tried to analyze why this sort of vicious, ill-founded and unfounded statement was made, and the allegation levelled—because charges of unethical conduct or highly improper conduct, in the context in which they are made, have very serious implications—but I am left without a rational explanation. However, I am not concerned now about whether or not I receive an explanation, rational or otherwise.

I move now to the second part of what I wish to say. What has happened in this case makes a farce out of political reporting. These statements referring to members of my firm are not in quotation. They are statements of fact made by those who wrote the article. Their minds could have been disabused by merely asking a question of either a member of the committee or myself. However, the philosophy seems to have been, "Plough ahead. If we are caught up with and a correction becomes necessary, then we will make a correction." What damage might have occurred in the meantime or who might have been hurt seems to be relatively unimportant. I would hope, if there is one good thing to come out of this shemozzle, it would be that possibly the checking of facts will be a little more seriously done, especially when it can be done so easily, before allegations of this kind are made which reflect upon the ethics of not only a senator and a chairman of an important committee of the Senate but a senator who is a practising lawyer of almost 50 years' standing in the Province of Ontario, and a man who has been a member of the Senate for over 32 years. Instead of checking in these circumstances, these statements have been made on the assumption, "Well, maybe they are right; if they are not and someone complains, then we will make a correction."

• (2030)

The second allegation which Senator Croll made—you will find it on page 3 of the excerpts which you have—is as follows:

> Mr. Chairman, I would like to make a few preliminary observations. From your outline of the course of action you propose, it is my view that the purpose is to bring pressure to bear on the government for special consideration for a small group which the government did not deal with in the last budget speech. As I said in the house, special pleading on behalf of special interests who seek special privileges leaves a greater tax burden on the rest of the taxpayers, and more particularly on those Canadians 25 per cent of whom are existing on less than $5,000 a year.

When Senator Croll had finished reading this statement I asked him, "Who is the small group and who are the special interests which you suggest we are promoting when we support the position of those employees who are in deferred profit-sharing plans?" His answer was that it was the deferred profit-sharing plan and the employees of those plans about whom I had spoken in the Senate the week before. These were the special interests.

This is an allegation that not only the chairman of the committee but the members of the committee permitted

themselves to be high-pressured into recognizing special interests of a small group. May I take a minute or two to tell you the facts? We had before us as witnesses giving evidence in relation to deferred profit-sharing plans the Institute of Profit-Sharing Associations, the membership of which consists of 14 different companies. This association represents some substantial companies in Canada such as Shell, Defasco, Canada Packers, Simpsons-Sears, and Simpsons. It was indicated that the employees participating in that type of plan who are members of the Institute number about 50,000. The feature of this plan was the lump sum payment which they could take out at the end of the road.

To label these people, in the circumstances, "special interests" is the thing that I find shocking. Who are these people? We are told that they are the sweepers in the buildings, the clerks, the maintenance men, the elevator operators, the stenographers, the truck drivers, and so forth. Every phase of occupation in these companies is represented by people who are prepared to work for a living, and who are prepared to put a part of the money they earn into a deferred profit-sharing plan that will bring them a lump sum payment at the end of the road when their years of being able to earn have been considerably reduced. These people prefer to work and to earn a living and put part of their earnings into this type of plan rather than lean on public welfare and public charity. To call them special interests I find a shocking misuse of the expression "special interests." I would rather expect to find that in other areas where we have wild-eyed orators who are prepared to support every allegation against organized society by saying, "Ah! You favour the special interests." These people are not special interests, and when I submit these facts to you I am sure you must conclude that they are not.

I can tell you that in the evidence before us there were tables produced, in relation to about ten different employees, in which they calculated the tax or the revenue the country got from taxation on the lump sum payments that came out to these people under the existing law, and then the same tables were prepared to show the position of these same people under the new law if they chose the less onerous method of taxation, which would be to forget about the lump sum payment and take the annual amount of money that comes out and buy a forward averaging annuity. The incidence of taxation in those circumstances would be substantially lower according to the information before us.

When my friend is being, as he was, critical of us, and unduly so—critical of the members of the committee—for favouring special interests, the evidence before us was, I understand, the same evidence as has been provided to the Department of Finance, and to this moment—"this moment" being a couple of days ago, having checked to see whether there had been any change in the figures—I find there has not been any change.

The evidence stands there to show what these people were seeking. They were seeking to make their incidence of tax apply at the time they were in money, and at the time they were in money they wanted the benefit of an averaging provision which they had enjoyed since 1962, which gave them some lessening of the burden of taxation on the lump sum payment in one year which would boost their income tremendously over their annual salary.

Under the bill as it stood at that time, when we considered this whole question, the general averaging provisions were not available to these people if they took advantage for a limited period of the old averaging provision, and the forward averaging provisions were not available if they took advantage of section 36 of the old act, which gave them an average on their income and their taxes, and the average rate as a result of that for the last three years before they took their payment.

What we recommended—and the only recommendation that was not followed—was that as we have introduced a capital gains tax, and the capital gain in the trust earned on investment of these moneys, and the capital gain on shares, which may be distributed out of the fund to the employees, should be taxed in the same way and under the same general rules as every other kind of capital gain. That is the one thing that still has not been done.

If you call that favouring special interests, then as the chairman of the committee, participating in this discussion and supporting it, I must plead guilty. But to me that is the oddest definition of "special interests" I have ever run into. It is not special interests at all. These people who participate in these plans are sturdy, self-reliant, independent Canadians who are prepared to go their own way, work their own way, earn their own money and spend part of it to provide for their declining years. If this puts them into a special category maybe we should enlarge the special category, because it is the kind of citizenship and the kind of moral fibre that it is good to have in the workers of Canada.

• (2040)

As far as I am concerned, you can number those people by the thousands—the people who participate in pension plans, in retirement savings plans, in profit-sharing plans, in deferred profit-sharing plans, and who contribute their own money, out of their own work, in order to provide the wherewithal to take care of them at the end of the road. I would say that the more we can increase the number of such workers in Canada and achieve more and more in the way of self-reliance and sturdiness in this country, the better. Therefore, I resist any allegation that, in doing what we did, we were catering to or in any way promoting special interests.

Honourable senators, may I move on? This is taking a little longer than I expected, but to me it is an important subject and I hope you will tolerate me, and agree with me that it is.

We come to a stage when we ask: "Where do we go from here?" I can tell you very briefly that Rule 39, which I read to you, gives me the right, as an offended or injured person, to come to you and say the Senate should give me some redress. I am not asking for any redress, I do not want any redress; all I want is to have the relationships which I have with the Senate continued, in the same manner as I now enjoy its confidence. I am not asking or expecting any withdrawal, any apology, or any regret because, if there were one—of which I am doubtful—any such apology, regret, withdrawal, whatever you want to call it, would never catch up with the harm which has been done.

I hope that out of it all, a better sense of responsibility may develop. When people feel stirred up and worked up to the extent that their bile floods out their reason, they should remember that senators have a duty, a responsibility and an obligation—a duty to their brother senators, a duty to the dignity of the Senate, and a duty to the public—that the public be well informed; and that when they make a statement, to see that it is an authentic statement, it is fair comment, and the facts have been properly stated.

So far as the newspapers are concerned, I am not asking for any particular treatment for the very faulty reporting which I think made a farce, as I said before, out of political reporting. There was a complete absence of any checking, when it was so easy to have checked. Take the idea, for instance, of knowing that Poissant and Mitchell were members of an outstanding chartered accountancy firm in Canada and that they were chartered accountants, and then stating—when there is nothing in the record anywhere which would show this—that they were employees of McCarthy and McCarthy. That indicates to what a low level political reporting of this kind has descended in Canada.

Arising out of that, some effort may be made to report seriously and to verify the facts before assumptions are made. You would almost think that the media were saying, "Well, here are some allegations; let us tear into them; and if they do not turn out to be right, we can always regret or correct or apologize." This time it was a correction.

Tonight the *Journal*—and I assume other papers across Canada who used the CP report—carried a heading which is a long way from the heading which they had on Thursday, when they said: "Senator Croll on attack" and "Hayden's conduct branded as unethical." The heading today was: "Tax Consultants not members of Senator Hayden's legal firm." Can you imagine a more innocuous—

Hon. Mr. Fournier (De Lanaudière): Shame.

Hon. Mr. Hayden: —insecure way of attempting a retraction, when the whole basis of the branding of my conduct as being unethical turned on the question of whether members of my firm were being used by the committee, at my insistence, as tax advisers to the committee? That statement was basically wrong and false and can be demonstrated so. I do not think there is any doubt—there is not any doubt in the mind of any member of the committee—as to the absolute falsity of that statement.

In those circumstances, surely it is about time there was some new kind of morality. It may be I am expecting too much. They say that sometimes as you get older—and the Lord knows I am certainly moving along now—your sense of morality gets a little sharper. I would hate to think I was going in that direction; I would rather retain the broadness of viewpoint which I thought I had shown in dealing with legislation and with issues, and in conducting the affairs of the committee.

Honourable senators, may I just sound one last word. The job of a chairman of a committee like the Banking, Trade and Commerce Committee, and the responsibility attaching to it, is very heavy. In order to get things going he must initiate the preparation of many materials, so that the committee when it commences is fully informed, and has as much education as it can be expected to absorb in the beginning in some of the complicated things it has had to consider. Then, he must be able to organize the flow of representations and briefs; to organize the analysis of those while they are flowing in; to organize the consideration by the staff of the committee of the result of all that, so that the committee is ready, within a limited period of time, to put the whole thing together into a report. And remember that last fall all of that was done between the first meeting on September 29 and the last report on December 13, and we had terminated our meetings on November 10. No wonder, as I described to this committee, that some of the staff were long on work and very short on sleep, because the work had to be turned out and the time limit was there.

Honourable senators, now that you have been kind enough to permit me this indulgence and I have said what I have to say, I do not propose tonight to stay in my place any longer. I do not know what, if any, answer may be made, but I have no desire to listen a second time to another instalment of the statements which were made the other day.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of Atomic Energy of Canada Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of operations under the Civil Service Insurance Act for the fiscal year ended March 31, 1972, pursuant to section 21(2) of the said Act, chapter 49, R.S.C., 1952.

RULES OF THE SENATE

REPORT OF THE COMMITTEE ON STANDING RULES AND ORDERS (ESTABLISHMENT OF STANDING SENATE COMMITTEE ON AGRICULTURE) ADOPTED

Hon. Hartland de M. Molson, Chairman of the Standing Committee on Standing Rules and Orders, presented the following report of the committee:

The Standing Committee on Standing Rules and Orders, pursuant to Rule 67(1)(e), having examined the Rules of the Senate, recommends the following amendment:

Rule 67(1): After Rule 67(1)(l) insert the following as new Rule 67(1)(m):

"(m) The Senate Committee on Agriculture, composed of twenty members in addition to the *ex officio* members provided for in Rule 68, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers and other matters relating to agriculture."

Your committee further recommends that the foregoing amendment come into force forthwith and

remain in force until the commencement of the next session of Parliament.

• (2050)

The Hon. the Speaker: When shall this report be taken into consideration?

Hon. Mr. Molson: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(f), I move that this report be adopted.

Honourable senators, the reason I ask for the suspension of this rule is that this chamber approved the following motion of honourable Senator Argue on April 26, 1972:

> That in the opinion of this house it is desirable, in the interest of both eastern and western agriculture, to establish a Standing Senate Committee on Agriculture to consider legislation and other matters of concern to agriculture that may be referred to the said committee by the Senate.

Acting on the express wishes of the committee, I feel that there is no reason for this report to be delayed. Moreover, as there is the possibility of legislation of an agricultural nature reaching this chamber, it would be to our general advantage to have the committee established forthwith.

Motion agreed to.

REPORT OF THE COMMITTEE ON STANDING RULES AND ORDERS (RECOMMENDING CERTAIN CHANGES IN THE RULES) PRESENTED

Hon. Hartland de M. Molson: Honourable senators, I should like to submit a second report as follows:

> The Standing Committee on Standing Rules and Orders, pursuant to Rule 67(1)(e), having examined the Rules of the Senate, recommends the following amendments:

1. Page 2, Rule 3: Strike out Rule 3 and substitute therefor the following:

   "3. Any rule or part thereof may be suspended without notice by leave of the Senate, the rule or part thereof proposed to be suspended, and the reason for the proposed suspension, being distinctly stated."

2. Page 10, Rule 19: Strike out paragraphs (f) to (i), inclusive, and substitute therefor the following:

   "(f) question period;

   (g) orders of the day;

   (h) inquiries;

   (i) motions."

3. Page 10, Rule 21: Strike out lines 1 and 2 thereof and substitute therefor the following:

   "21. Unless otherwise ordered by the Senate, orders of the day take precedence according to priority as follows, precedence always being given to orders of the day relating to legislation under paragraphs (b), (c) and (d):"

4. Page 14: Renumber Rule 36(2) as Rule 36(3) and insert the following as Rule 36(2):

   "(2) A motion to adjourn a debate shall be deemed to be a motion to postpone that debate to the day specified in the motion, or, if no day is so specified, to the next sitting day."

5. Page 18, Rule 45: Reletter Rule 45(1)(h) as Rule 45(1)(i) and insert as new Rule 45(1)(h) the following:

   "(h) for the making of a substantive motion;"

6. Page 28, Rule 66: Strike out Rule 66 and substitute therefor the following:

   "66. (1) At the commencement of each session a committee of selection consisting of nine senators named by the Senate shall be appointed whose duty it shall be to nominate the senators to serve on the several standing committees.

   (2) Unless and until otherwise ordered by the Senate, the senators so nominated shall, when their appointments are confirmed by the Senate, serve for the duration of that session."

7. Page 30, Rule 67(1): Strike out paragraphs (f) to (l), inclusive, and substitute therefor the following:

   "(f) The Committee on Internal Economy, Budgets and Administration, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers and other matters relating to internal economy, budgetary matters and administration generally.

   (g) The Senate Committee on Foreign Affairs, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers, and other matters relating to foreign and commonwealth relations generally, including:

   (i) treaties and international agreements;

   (ii) external trade;

   (iii) foreign aid;

   (iv) defence;

   (v) immigration;

   (vi) territorial and offshore matters.

   (h) The Senate Committee on National Finance, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers and other matters relating to federal estimates generally, including:

   (i) national accounts and the report of the Auditor General;

   (ii) government finance.

   (i) The Senate Committee on Transport and Communications, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers, and other matters relating to transport and communications generally, including:

   (i) transport and communications by land, air, water, and space, whether by radio, telephone, telegraph, wire, cable, microwave, wireless, television, satellite, broadcasting, postal communications, or

any other form, method or means of communications or transport;

(ii) tourist traffic;

(iii) common carriers;

(iv) pipelines, transmission lines, and energy transmission;

(v) navigation, shipping and navigable waters.

(j) The Senate Committee on Legal and Constitutional Affairs, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers, and other matters relating to legal and constitutional matters generally, including:

(i) federal-provincial relations;

(ii) administration of justice, law reform, and all matters related thereto;

(iii) the judiciary;

(iv) all essentially juridical matters;

(v) private bills not otherwise specifically assigned to another committee, including those related to marriage and divorce.

(k) The Senate Committee on Banking, Trade and Commerce, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers, and other matters relating to banking, trade, and commerce generally, including:

(i) banking, insurance, trust and loan companies, credit societies, caisses populaires, and small loans;

(ii) customs and excise;

(iii) taxation legislation;

(iv) patents and royalties;

(v) corporate and consumer affairs;

(vi) bankruptcy;

(vii) natural resources and mines.

(l) The Senate Committee on Health, Welfare and Science, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers, and other matters relating to health, welfare, and science generally, including:

(i) veterans affairs;

(ii) Indian and Eskimo affairs;

(iii) health and welfare;

(iv) social and cultural matters;

(v) pensions;

(vi) labour legislation;

(vii) aging.

(m) The Senate Committee on Agriculture, composed of twenty members, five of whom shall constitute a quorum, to which shall be referred on motion all bills, messages, petitions, inquiries, papers and other matters relating to agriculture."

8. Page 34, Rule 68: Strike out Rule 68 and substitute therefor the following:

"68. The senators occupying the recognized positions of Leader of the Government and Leader of the Opposition in the Senate shall be *ex officio* members, in addition to the number of appointed senators, of all standing committees of the Senate."

9. Page 36, Rule 74: Strike out Rule 74 and substitute therefor the following:

"74. (1) The Senate may appoint such special committees as it deems advisable and may set the terms of reference and indicate the powers to be exercised and the duties to be undertaken by any such committee.

(2) The mover of a motion which established a special committee shall have the right to nominate the senators to serve on such committee; provided that at the request of three senators nominations shall be as follows. Each senator shall vote openly for one senator to serve as a member of such committee, and those senators for whom the largest number of votes are given shall constitute the committee."

Your committee further recommends that the foregoing amendments come into force at the commencement of the next session of Parliament.

Your committee further desires to report, for the information of the Senate, that it is giving continuing consideration to the distribution of duties as among the several standing committees and to certain other proposed amendments of a housekeeping character, and that in general, subject to the wishes of the Senate, the committee considers that the number of standing committees should not be further proliferated and that greater use might be made of subcommittees.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Molson moved that the report be placed on the Orders of the Day for consideration at the next sitting of the Senate.

Motion agreed to.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE—DEBATE ADJOURNED

Hon. Douglas D. Everett, Chairman of the Standing Senate Committee on National Finance, presented the report of the committee, to which was referred the Estimates laid before Parliament for the fiscal year ending March 31, 1973, and asked that the report be printed as an appendix to the *Debates of the Senate* and the *Minutes of the Proceedings* of today and form part of the permanent record of this house.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

(*For text of report, see Appendix pp. 510-11*)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Everett: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(f), I move that the report be taken into consideration now.

My reason for asking leave to proceed now is that, as you know, this report must be in the hands of the Senate prior to the coming down of the supply bill from the other place, and I shall not be here tomorrow to deal with the report itself.

The Hon. the Speaker: Is it agreed that leave be given, honourable senators?

Hon. Senators: Agreed.

Hon. Mr. Everett: I appreciate that leave has been granted to me. I will not deal with the report in detail, but I should like to discuss briefly some of the highlights so that honourable senators may understand the report a little better when they come to read the appendix itself.

The main Estimates for the year 1972-73 amount to $15,749 million as compared to $14,352 million in the previous year. This is an increase of $1,397 million or 9.7 per cent.

Members of your committee have been interested to find out whether the increase in the budgetary expenditures approximates that of the increase in the gross national product. As I have said, that increase is 9.7 per cent, and the increase in the gross national product is 9.1 per cent.

Of these budgetary expenditures, statutory expenditures accounted for some 50 per cent of the total Estimates. Seven billion, six hundred and forty dollars of the Estimates are statutory while $8,109 million represents funds for which Parliament will be asked to give authority.

There are only one or two other items which I should like to deal with. One is an interesting item that concerns the changes in the legislation setting up the Unemployment Insurance Commission. In the past, before the change in the act, the government estimated every year the amount of contribution it would have to make to the Unemployment Insurance Fund. When the act changed, the government decided to pay in the following year the actual contribution to the fund, based on the deficit. This accounting change caused a hiatus of one year, and it amounts to $111 million. In that period the government also no longer pays the administration costs of some $70 million. So that means that there is a change, purely of an accounting nature, of $180 million in the Estimates. If one begins to consider that matter, one finds the budgetary Estimates by virtue of this accounting change are actually $180 million higher than is actually shown.

Honourable senators, some of the major increases in expenditure are a $165,700,000 increase in the interest charges on public debt; $139 million in increases on hospital insurance; $110 million in increases in medical care for a total medical and hospital increase of $249 million; an increase of $80 million in post-secondary education payments; an increase in the post office deficit of $41 million, and an increase in the regional economic expansion Estimates of $91 million.

Honourable senators, as I say, the report will be printed as an appendix to today's proceedings and I hope honourable senators will take the trouble to read it.

On motion of Hon. Mr. Grosart, debate adjourned.

• (2100)

RULES OF THE SENATE

ADVISABILITY OF EMBODIMENT OF CODE OF CONDUCT FOR SENATORS—MOTION STANDS

On the Motion by the Honourable Senator Croll:

That the Standing Committee on Standing Rules and Orders consider the advisability of embodying in the Rules of the Senate the following two principles as a code of conduct for Senators:

(1) That in any debate or proceeding of the Senate or its committees or transactions or communications which a Senator may have with other Senators or with Ministers, Members of the House of Commons or servants of the Crown, he shall disclose any relevant pecuniary interest or benefit of whatever nature, whether direct or indirect, that he may have or may be expecting to have.

(2) That it is contrary to the usage and derogatory to the dignity of the Senate that a Senator should bring forward by speech or question, or advocate in this House or among his fellow Senators any bill, motion, matter or cause for a fee, payment, retainer or reward, direct or indirect, which he has received, is receiving or expects to receive.

And that the said committee examine and report upon ways and means of establishing an effective parliamentary machinery for the proper enforcement of the foregoing code of conduct.

The Hon. the Speaker: This motion is standing in the name of Senator Croll.

Hon. Mr. Croll: Stand until July 11.

Hon. Mr. Flynn: It is going to age in the meantime.

Motion stands.

POINT OF ORDER—SPEAKER'S RULING

The Hon. the Speaker: Honourable senators, I should like at this stage to deal with a point of order raised by the Leader of the Opposition (Hon. Mr. Flynn) when notice of motion was given by honourable Senator Croll on Wednesday last, June 14, respecting the advisability of the embodiment in our rules of a code of conduct for senators. The Leader of the Opposition raised the following point of order as it appears on page 478 of Senate *Debates* for that day:

HON. JACQUES FLYNN: Mr. Speaker, I rise on a point of order. I would ask Your Honour to consider whether paragraph (2) of this notice is not already covered by the law. I think it is a duplication of the law, and should not be considered as an amendment to the rules governing this very matter as far as senators are concerned. It seems to me that the matter of receiving a fee for doing anything in the Senate is already covered by either the act concerning the Senate and the House of Commons, or some other act.

I would ask Your Honour to look into this question. The first paragraph may be a problem for the Rules

> Committee, but I doubt that an act can be amended by this method.

It is to be noted here that this point of order by honourable Senator Flynn was only dealing with paragraph (2) of the notice by Senator Croll. I undertook to look into the matter.

It seems to me that the Leader of the Opposition is seeking a legal opinion from the Chair as to the suitability and propriety of the language employed in the motion of Senator Croll. Bourinot's 4th Edition, at page 180, is quite clear on this point where he states that the Speaker:

> —will not give a decision upon a constitutional question, nor decide a question of law, though the same be raised on a point of order or privilege.

There are many precedents for this practice being followed, the latest of which took place on July 8, 1969, and will be found on page 10,955 of *Hansard* of the House of Commons, where Mr. Speaker Lamoureux ruled that it is not the responsibility of the Chair to rule on a question of law or on a constitutional question, and stated that this ruling has been made in many instances by previous Speakers.

Therefore, in my opinion, the question raised by the Leader of the Opposition could perhaps be discussed by honourable senators in the course of the debate on the motion when it is put to the house, or in committee if it is referred there. But it is not for the Chair to decide on any question of law.

I therefore rule that this motion as worded is procedurally acceptable.

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

DATES AND RECORDS OF COMMITTEE MEETINGS—QUESTIONS ANSWERED

Hon. Rhéal Belisle: Honourable senators, last week I took the opportunity of asking three questions of the Chairman of the Standing Committee on Internal Economy, Budgets and Administration. Seeing that I have not received an answer to any of the questions and seeing that I have read that the committee will be meeting next week and subsequently learning, if I have read correctly, that the committee is not scheduled to meet, and having received the information that we will be sitting for only one week, and in view of the fact that we have now been sitting for at least six months without a meeting of that committee, is it the intention of the Chairman of that committee to ignore the members and rule without them?

Hon. A. Hamilton McDonald: Honourable senators, I have the answers to Senator Belisle's questions that he asked on Thursday, June 15. It is quite true that he asked three questions. In the first he asked the date of the last meeting of the Senate Committee on Internal Economy, Budgets and Administration, and that date is December 15, 1971. Here let me apologize for not having the answers in written form, but the facilities at my disposal are not such that I can do everything that needs to be done in what might be considered the proper fashion.

His next question was as to when the next meeting will be held. There are two subcommittees of the Internal Economy Committee and it is to be hoped that they will be able to meet tomorrow, perhaps after the house has risen. Should that be the case, then I would hope that we could have a meeting of the full committee either on Thursday of this week or as early as possible in the following week—perhaps on Monday or Tuesday.

Senator Belisle then asked if he could be supplied with the full record of the meetings of the last two years. I have that here, and I will ask the page to give it to Senator Belisle.

This was followed by a question by Senator Phillips, as follows:

> May I ask a supplementary question, Mr. Speaker? I understand the House of Commons staff has received pay increases recently. I wish to know whether pay increases for the members of the Senate staff will be on the agenda referred to, as well as consideration of the Clerk's report?

In reply to that question I can report that both these matters will be on the agenda.

Hon. Mr. Belisle: May I ask a supplementary question? In view of the fact that not all members of the house are privileged to be members of this committee, could the records you have given me be made an appendix to today's proceedings?

Hon. Mr. McDonald: That is not a question for me to answer; it is for the house.

Hon. Mr. Belisle: I ask that they be printed as an appendix to today's proceedings.

Some Hon. Senators: No.

Hon. Mr. McDonald: I do not think there is anything in the committee's reports that all honourable senators do not have access to, and furthermore I do not think they contain anything that would be detrimental should the public read it. It is simply a record of this house. But these are rather lengthy documents covering a period of two years, and there is the question as to whether the house wishes to proceed with that amount of printing.

MEMBERSHIP AND EXPENDITURES OF SUBCOMMITTEES—SUPPLEMENTARY QUESTIONS

Hon. Orville H. Phillips: Honourable senators, I rise to ask a supplementary question. Senator McDonald referred to two subcommittees, and both Senator Belisle and I, as new members of this committee, have found it very difficult to get information. There are always mysterious subcommittees dealing with these matters. I would appreciate it if Senator McDonald would indicate who are the members of the subcommittees; who acts as chairmen of the subcommittees in the absence of the chairman of the Standing Committee on Internal Economy, Budgets and Administration; and what have been the authorized expenditures of these rather intriguing subcommittees?

• (2110)

Hon. Mr. McDonald: First of all, I can assure my honourable friend there is certainly no intrigue with respect to the subcommittees of the Standing Committee on Internal Economy, Budgets and Administration. There are two subcommittees. One is chaired by Senator Molson, and the other by the chairman of the Standing Committee on

Internal Economy, Budgets and Administration, Senator Smith. I am not able to give you the names of the members of these subcommittees, but I will obtain that information for you.

Hon. Mr. Grosart: What are the names of these subcommittees?

Hon. Mr. McDonald: The subcommittee chaired by Senator Molson deals with accounts, and the subcommittee chaired by Senator Smith deals with budgets of the standing and special committees of the Senate. This is the subcommittee to which the budgets of all standing and special committees are submitted before expenditures can be made by any committee. I will be prepared to give you the names of the members serving on these subcommittees tomorrow.

When you say "expenditures," Senator Phillips, I am not certain to which expenditures you are referring. Are you referring to the expenditures of the Standing Committee on Internal Economy, Budgets and Administration?

Hon. Mr. Phillips: Yes; after all, Senator McDonald, an expenditure is the money of the taxpayers. I would like to know what amount has been authorized.

Honourable senators, as much as I appreciate the courtesy and sincere attempt which Senator McDonald has made in replying to my question, the thought occurred to me that we have a government leader in the Senate. I rather expected he would know the names of the members of these committees. I am wondering if he has laryngitis this evening.

Hon. Mr. Grosart: Honourable senators, I do not know how to participate in what appears to have become a debate on an interrogation. Perhaps I will put my remarks in the form of a supplementary question to the Leader of the Government or the deputy leader. Is it not rather unusual that a committee which deals with the internal economy, budgets and administration of the Senate has not met since December 15 last? I ask the Leader of the Government if he considers that a committee such as this, carrying on, as we are told, without calling a meeting of the full committee, is not in dereliction of its duties when it does not inform its members regarding the status of the budgeting.

I ask this because it may be of interest to honourable senators to know that for the current year there has been a decrease in the expenditures of the House of Commons and an increase in the expenditures of the Senate.

Hon. Mr. Langlois: There is more work performed here.

Hon. Mr. McDonald: Honourable senators, I am not able to answer Senator Grosart's question. However, I am sure the Chairman of the Standing Committee on Internal Economy, Budgets and Administration is well able and prepared to answer it.

If the committee has not met as often as some senators would like it to meet perhaps that is because we all need to accept some responsibility, especially those of us who are members of the committee. In any event, I will bring your remarks to the attention of the chairman, and I expect he will be able to reply to your question upon his return.

Hon. Mr. Phillips: Honourable senators, as I recall, Senator McDonald stated last week that the staff was preparing the agenda for this committee meeting. Is not this an unusual procedure? Is it not customary for the senators themselves to prepare the agenda and decide what will be discussed at a committee meeting?

Hon. Mr. McDonald: Perhaps I used the word "staff" loosely in reference to the preparation of the agenda.

Hon. Mr. Phillips: You were being factual.

Hon. Mr. McDonald: Senator Phillips asked a question regarding pay increases for the staff of the Senate, and whether they would be considered at the next meeting of the Standing Committee on Internal Economy, Budgets and Administration. Of course, the staff of the Senate is involved in preparing the documents which come before the committee respecting the different categories of public servants who work for the Senate. Increases are proposed. After observing what occurs in other branches of the Public Service, I would say the staff is directly involved in this area, but perhaps I was wrong when I indicated they were involved in drafting the agenda. Even if they were involved, I would not complain. Sometimes we find ourselves in a position where we are glad to receive help from anyone. This could have been the case.

Hon. Mr. Phillips: I agree with you on that point.

Hon. Mr. Grosart: I happen to be a new member of one of these subcommittees, I believe—I had a telephone call to that effect—although I am not entirely certain as to my status. I ask the Deputy Leader of the Government if it is his intention to call these committees for a time when no other committee is sitting tomorrow.

Hon. Mr. McDonald: It would be my intention to do this, but I do not know whether I am able to. The Standing Senate Committee on Legal and Constitutional Affairs is sitting at 10 o'clock tomorrow morning, and the Standing Senate Committee on Foreign Affairs is sitting at 10.15. Yes, I expect those two subcommittees will meet after the house rises.

HEALTH, WELFARE AND SCIENCE

LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES—DEBATE ADJOURNED

The Senate resumed from Thursday, May 15, the adjourned debate on the motion of honourable Senator Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. H. Carl Goldenberg: Honourable senators, the motion in the name of Senator Haig which has been before this house for several months is to instruct the Standing Senate Committee on Health, Welfare and Science "to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services."

The motion is not very clear. I assume the sponsor is referring to what those of us involved in labour-manage-

ment relations call "public interest disputes." Some of these are easily identifiable as such, for example, those affecting police and fire protection, hydro electric service and hospital services. There are others which, to a greater or lesser degree, affect the public interest. However, whether or not they are public interest disputes in the proper sense of the term is a matter of controversy. The sale of liquor in Canada is a public service, but I doubt that a strike in this area could properly be classed as a public interest dispute.

• (2120)

The motion refers to federal legislation governing disputes in areas "affecting public services." "What does it intend to include in the term "public services"? In federal legislation "public service" covers employees as defined in the Public Service Employment Act, who are governed in the matter of labour relations by the Public Service Staff Relations Act; that is, employees of government departments and of specified boards, commissions and other agencies as set out in schedule I of this act.

Is it also intended to include employees of crown corporations as listed in schedules A, B, C and D of the Financial Administration Act; for example, employees of the CNR, Air Canada and the CBC? These are governed by section 5 of the Canada Labour Code.

If the term "public services" is intended to include both of these categories, the motion involves an inquiry both into the operation of the Public Service Staff Relations Act, under which Treasury Board bargains as employer with the unions representing government employees, and into the operation of section 5 of the Canada Labour Code, which applies to all industries under federal jurisdiction and under which the respective crown corporations bargain with the unions representing their employees.

These two acts differ in important respects. For example, in the constitution and power of the two boards, the Public Service Staff Relations Board and the Canada Labour Relations Board, in the scope of bargaining and in the provisions governing the right to strike.

The motion, of course, excludes provincial legislation but far more employees fall under provincial jurisdiction than under federal labour legislation. Let us not forget that most recent strikes in public services have occurred within the provincial jurisdiction. I may add that at the federal level 95 per cent of contract negotiations under the Public Service Staff Relations Act have been settled without strikes. These are facts that have been ignored in some speeches on the motion before the house.

In urging an inquiry at this time some honourable senators also appear to have forgotten that a most thorough inquiry into labour relations in Canada was carried out within the past five years by the Task Force on Labour Relations presided over by Professor H. D. Woods of McGill University, and that this task force reported but three years ago. The task force, consisting of highly experienced authorities in the field of labour relations and with a large staff of experts, travelled across Canada and to the United States, Europe and Australia. It met with and received the views of the same people and the same organizations that the Senate committee would invite. It presented its report, with some 25 volumes of accompanying studies, which are still being examined. I wonder what novel views and solutions a Senate committee is likely to receive?

Moreover, following the report of the task force, the Minister of Labour began to draft amendments to the Canada Labour Code, which are now under consideration in the other place. I understand that the committee which has been studying the bill is in the reporting stage. This committee also has heard many witnesses, as honourable senators know from the voluminous reports of the proceedings which we have received. In view of this, I again ask what purpose can a Senate inquiry now serve?

When the amended Canada Labour Code comes before us we shall have the opportunity to examine the operation of federal legislation, which is what Senator Haig's motion calls for. Is it not premature, to say the least, for the Senate to undertake the proposed inquiry in advance of a study of the measure which is now before Parliament?

Some honourable senators may believe that a Senate inquiry will find a cure-all for strikes. I assure you, there is no cure-all. The motion before us is clearly attributable to two recent strikes which affected air transportation in Canada. They caused inconvenience and annoyance, but Canada is not alone in facing such problems. Let us not forget the national coal strike which a few months ago almost brought the economy of the United Kingdom to a standstill. It was followed by a railway strike, and within the last few days by a strike of longshoremen. All of this happened after the enactment of stringent and unprecedented labour-relations legislation by the United Kingdom Parliament.

I also remind honourable senators of the recent strike of west coast longshoremen in the United States, which lasted 140 days and caused losses in the billions of dollars. There have been recent strikes even under the authoritarian regimes in Spain and the Soviet Union. It is clear that no country has found a solution.

When a strike which causes particular inconvenience occurs there is a tendency to say "there ought to be a law." Honourable senators know there are laws and, of course, there must be laws. But we must appreciate the fact that labour relations are human relations and that problems in human relations cannot be solved by law alone. This applies to relations between employers and employees as it does to relations within the family.

I have often said that, while under the Civil Code of Quebec, a wife must live with her husband and follow him wherever he goes, if she does so, it is not because the Civil Code tells her to, but for other considerations. I submit, therefore, that laws, however stringent, will not by themselves assure industrial peace. Too often laws are enacted in this field which cannot be enforced, and legislation which is not enforceable serves only to bring the law into disrepute. Accordingly, if it is found that changes in the law are required they must be such as are enforceable and will be enforced.

[*Translation*]

Some changes in law and practice may be found necessary, but I suggest that we look first at some of the human considerations underlying the current unrest.

A basic cause of our malaise is that we are living in a society of rising expectations in which more and more people want more and more of the good things of life. Their demands are intensified by mass advertising and the styles of living it portrays and by banks and finance companies which encourage and facilitate the incurring of debt to attain those styles. Rising educational levels have also increased the desire for more material goods. In this, workers are no different from other people, and they look to their trade union leaders to obtain for them the necessary means to satisfy their wants.

• (2130)

[*English*]

In studying industrial unrest, honourable senators, we have to take note of a relatively new phenomenon. The tendency is to associate strikes with industrial workers. But we all know that strikes are no longer confined to them. We have in recent years witnessed strikes by teachers, nurses, engineers, policemen and firemen, whether or not such strikes are permitted by law. As a Quebecer, I would point out that these strikes have not been confined to Quebec. Honourable senators have only to read today's papers to learn of a strike of nurses in Cape Breton. Moreover, two provinces have experienced strikes by the medical profession. It is difficult to think of a strike more dangerous to the health and safety of the nation.

In this connection I draw to the attention of the Senate a recent speech by a former President of the Manitoba Medical Association, as reported in the Montreal *Star* on May 19, 1972, in a Canadian Press dispatch. It was a speech delivered in Hamilton, and the relevant part reads as follows:

> A former president of the Manitoba Medical Association suggested yesterday that doctors form unions and be prepared to strike in order to deal with governments.
>
> Dr. G. E. Mosher of Winnipeg was addressing the annual meeting of the Canadian Association of Medical Clinics and the Medical Group Management Association of Canada.
>
> He said—

And this is in quotes:

> "Only the development of medical trade unions, with a hard-headed willingness to disrupt society to get their point of view heard, will roll back this obstruction in communications between our political masters and those of us who are called upon to provide health care."

I repeat his words: "the development of medical trade unions with a hard-headed willingness to disrupt society to get their point of view heard." I hope that when honourable senators criticize the speeches of so-called "labour bosses," they will also remember this shockingly callous and irresponsible statement by the former head of a medical association who, I assume, on graduation took the Hippocratic oath to heal the sick.

Hon. Mr. Forsey: A medical boss.

Hon. Mr. Goldenberg: I hold to the view that where the interests of the parties to a dispute conflict with the overall interests of the community, it is the interests of the community that must prevail, and this principle must apply whether the health, safety or welfare of the community are injuriously affected by a trade union, a business organization or a professional association.

[*Translation*]

In the final analysis, if the parties to the dispute disregard the public interest, the state must intervene to protect it by enforceable measures appropriate to the particular situation. Neither party can afford to ignore the community except at its peril.

[*English*]

Honourable senators, I have gone beyond the terms of the motion before this house because of certain views which have been expressed in the course of the debate. Some of my colleagues have flattered me by suggesting that it is essential that I take part in the proposed inquiry. I thank them for their confidence and regret that I may have to disappoint them if we proceed with the inquiry. I believe I have made it clear that I do not favour such an inquiry. I have pointed to the recent exhaustive study and report by the Task Force on Labour Relations. I have also said that with an amended Canada Labour Code before the other place, an inquiry by a Senate committee now would be premature. Finally, I suggest that at a time when important negotiations in the Public Service are under way, with more to follow in other areas affecting public services, such as the railways, a Senate inquiry could be detrimental in its immediate effect. Let us avoid pouring oil on troubled waters.

Senator Haig's motion has produced a useful debate, but circumstances have changed since he presented it. For example, an amended Canada Labour Code is now before Parliament. Moreover, new public service labour relations acts imposing compulsory arbitration have just been enacted by the Legislatures of Ontario and Alberta, while Quebec is reviewing its position. I believe that these changed circumstances, together with the other considerations I have mentioned, call for withdrawal of the motion at this time.

Hon. Mr. Forsey: May I ask Senator Goldenberg whether he was not guilty of some kind of slip a moment ago when he suggested that he would not wish to pour oil on troubled waters? Surely he meant "pour oil on flames." I imagine he has no objection to pouring oil on troubled waters.

Hon. Mr. Goldenberg: I stand corrected by my old friend.

On motion of Hon. Mr. Haig, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

APPENDIX

(*See p. 504*)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE PRESENTED BY HON. DOUGLAS D. EVERETT

Tuesday, 20th June, 1972.

The Standing Senate Committee on National Finance, to which were referred the Estimates laid before Parliament for the fiscal year ending March 31, 1973, has in obedience to the order of reference of Thursday, 24th February, 1972, examined the said Estimates and reports as follows:

1. Your Committee was authorized by the Senate, as recorded in the Minutes of the Proceedings of the Senate of 24th February, 1972, "to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending the 31st March, 1973, in advance of Bills based upon the said Estimates reaching the Senate."

2. In obedience to the foregoing, your Committee held one meeting on the Estimates and heard evidence from Mr. D. B. Dewar, Deputy Secretary, Program Branch, Treasury Board, and Mr. B. A. MacDonald, Director General, Budget Co-ordination, Treasury Board.

3. The Main Estimates for 1972-73 amount to $15,749 million as compared with the Main Estimates of 1971-72 when the amount was $14,352 million. Of the total of the Main Estimates for 1972-73, $7,640 million are statutory in nature while $8,109 million represent funds for which Parliament is asked to provide authority. In addition to these amounts there are $790 million of non-budgetary items. The change in budgetary expenditures as contained in the Main Estimates of 1971-72 and 1972-73 is $1,397 million or 9.7%. In the past there has been interest in your Committee in comparing the rate of growth in expenditures and the rate of growth in GNP. The most current figure we have is for the rate of change in GNP between 1971 and 1972, and that was 9.1%.

4. Statutory expenditures account for almost 50% of the total in the Estimates. These cover some very large payments, such as the interest on the public debt, fiscal transfer payments to the provinces and payments to the provinces under shared cost programs. Statutory expenditures rose by $549 million or 7.7% between the Main Estimates of 1971-72 and these for 1972-73.

5. Your Committee noted that a change in the method of accounting for Unemployment Insurance Commission payments has resulted in a one year reduction in the Estimates of $180 million which is composed of $111 million in government grants and contributions and $69 million in operating expenditures. The effect of this change in accounting is to understate the amount of the budgetary expenditures by some $180 million and your Committee recommends that in future the changes in accounting procedures that affect the year to year comparison of Estimates be brought more clearly to the attention of the reader.

6. Attached to this report is a list which compares the disaggregated differences between the Main Estimates for 1972-73 and the total forecast expenditures for 1971-72. It is to be noted one of the largest increases is to be found in Health and Welfare which is partially composed of an $84 million increase in Medicare costs and a $100 million increase in hospital care costs.

Respectfully submitted.

D. D. Everett,
Chairman.

Schedule to Report

	Main Estimates 1972-73	Forecast Expenditures 1971-72	Difference
	(Millions of Dollars)		
Health and Welfare	3,831	3,653	178
Economic Development and Support	2,241	2,289	(48)
Public Debt	2,160	2,035	125
Defence	1,947	1,900	47
Fiscal Transfer Payments	1,307	1,396	(89)
Transportation & Communications	1,110	1,035	75
Internal Overhead	951	828	123
General Government	795	696	99
Education Assistance	667	573	94
Foreign Affairs	372	319	53
Culture & Recreation	368	324	44
	15,749	15,048	701

Detail

Health and Welfare—up $178 million.

Main increases in:

Medicare	$ 84 million
Hospital Care	100 million
Canada Assistance Plan	47 million
Housing and Urban Renewal	35 million

(Note: There is an offsetting decrease here of $111 million because there are no budgetary contributions to UIC in 1972-73)

Economic Development—down $48 million

Assistance to Industrial Research and Innovations	27 million

Many small increases.

(Note: Shows a decrease in total because the following items included in 1971-72 Expenditures not repeated in 1972-73 Main Estimates.)

Capital Assistance for Training Facilities	$ 76 million
Local Initiatives	120 million
1971 Census	24 million
Hog deficiency payment	22 million

Defence—up $47 million

Ceiling adjusted, mainly to allow for pay parity.

Fiscal Transfers—down $89 million

1972-73 less than 1971-72 because of the termination of the estate tax at the federal level and, accordingly, the provincial share.

Transportation and Communications—up	75 million

Increases in almost all components, the largest is for Post Office 42 million

Internal Overhead—up	123 million
Public Works Accommodation	22 million
Public Service Bilingualism	25 million
Public Service Pensions and Medical Plans	58 million

General Government—up 99 million

National Revenue (Taxation 21; Customs & Excise 10)	31 million
Royal Canadian Mounted Police	23 million
Territorial Governments	14 million
Consumer Services (including Food and Drug)	12 million

Education Assistance—up $94 million

Payments to the Provinces, Post Secondary Education	80 million
Bilingualism	10 million
Student Loans Program	4 million

Foreign Affairs—up $53 million

Grant Assistance to developing countries	36 million
External Affairs Department	10 million

Culture and Recreation—up $44 million

Canadian Broadcasting Corporation	26 million

THE SENATE

Wednesday, June 21, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the number and amount of Loans to Immigrants made under section 65(1) of the Immigration Act for the fiscal year ended March 31, 1972, pursuant to section 65(6) of the said Act, chapter I-2, R.S.C., 1970.

Summary report of the Prices and Incomes Commission (Mr. John H. Young, Chairman) entitled "Inflation, Unemployment and Incomes Policy", dated June 1972.

Copies of press release, dated June 20, 1972, issued by the Minister of State for Urban Affairs, announcing the building of a promenade around the base of Parliament Hill.

Copies of a contract between the Government of Canada and the Town of Swan Hills, Alberta, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

MEMBERSHIP AND EXPENDITURES OF SUBCOMMITTEES—QUESTIONS ANSWERED

Hon. A. Hamilton McDonald: Honourable senators, yesterday there were several questions asked by honourable Senator Phillips to which I obtained answers. I should like to give those answers to the house now.

Senator Phillips asked who the members of the subcommittees of the Standing Committee on Internal Economy, Budgets and Administration were. The answer is as follows:

The Subcommittee on Budgets is made up of the following members: Senator Smith, Senator Martin, Senator Flynn, Senator Molson, Senator Grosart and Senator McDonald. It is chaired by the honourable Senator Smith.

The members of the Subcommittee on Clerk's Accounts are: Senator Molson, Senator Beaubien and Senator McElman. Honourable Senator Molson is the chairman of that committee.

Senator Phillips also asked what had been the authorized expenditures of these "rather intriguing subcommittees." I do not know how intriguing they are, but the answer is as follows:

There have been no expenditures authorized for or incurred by the subcommittees. The function of the Subcommittee on Budgets is to review the budgets submitted by the standing and special committees of the Senate pursuant to Rule 83A of the Rules of the Senate. This subcommittee is also responsible for reviewing the Estimates of the Senate for each fiscal year.

The function of the Subcommittee on Clerk's Accounts is to review the detailed statement of receipts and disbursements covering revenues and expenditures for each fiscal year as submitted by the Clerk of the Senate under Rule 112 of the Rules of the Senate.

In all cases the report as made by the subcommittee to the main committee is sent through the main committee to the Senate as a whole.

While I am on my feet, honourable senators, I should like to inform the house that the two subcommittees referred to in the answers which I have just given will be meeting today. The Subcommittee on Budgets will meet in Room 256-S immediately the Senate rises, and the Committee on Clerk's Accounts will meet in the office of the Director of Administration of the Senate, Mr. Dean, one hour after the house rises. It is hoped that the whole committee on Internal Economy, Budgets and Administration will meet on Tuesday of next week.

RULES OF THE SENATE

REPORT OF THE COMMITTEE ON STANDING RULES AND ORDERS (RECOMMENDING CERTAIN CHANGES IN THE RULES) ADOPTED

Hon. Hartland de M. Molson: Honourable senators, I move, seconded by honourable Senator Basha, that the Report of the Standing Committee on Standing Rules and Orders be referred to the Committee of the Whole, and that the Senate do now resolve itself into Committee of the Whole.

Motion agreed to.

The Hon. the Speaker: Honourable senators, pursuant to the order of this honourable house, I leave the Chair. The honourable Senator Bourget will please take the Chair of the committee.

The Senate adjourned during pleasure.

REPORT CONSIDERED IN COMMITTEE OF THE WHOLE

Hon. Maurice Bourget in the Chair.

• (1410)

The Chairman: The Senate is now sitting in Committee of the Whole to consider the Report of the Standing Committee on Standing Rules and Orders which recommends certain amendments to the Rules of the Senate.

Paragraph 1 of the report amends Rule 3. Shall this paragraph carry?

Hon. Mr. Molson: Mr. Chairman, would it be helpful if I commented on these recommendations as we go through the rules?

Hon. Mr. Flynn: This is the way we should proceed.

The Chairman: Is this the wish of the committee?

Hon. Senators: Agreed.

Hon. Mr. Molson: Honourable senators, in the case of Rule 3, as you will remember there was an amendment two years ago which stated that when the rule, or any part of it, regarding leave for suspension was requested, the rule, or the particular part, should be specifically mentioned.

It was also discovered in the course of our experience that members of the chamber invariably wished to know why the rule was being suspended. We tried this for a period of time and we requested that it become part of the motion put to the chamber by honourable senators, but it did not work. Therefore, it was decided by your committee at the last meeting that the following amendment be made:

> 3. Any rule or part thereof may be suspended without notice by leave of the Senate, the rule or part thereof proposed to be suspended, and the reason for the proposed suspension, being distinctly stated.

Hon. Mr. Flynn: Honourable senators, I would like to state for the record that I agree with the proposal. However, I was wondering whether this question regarding the reason for suspension of any rule would require a debate, and what kind of debate would be required? Is it a debate in which any member of the Senate can participate more than once? Up to this point there has been no problem. But for future studies of the Standing Committee on Standing Rules and Orders, I think I should mention that from time to time the occasion arises where we discuss at length the validity of a reason, and members of the Senate speak more than once.

Hon. Mr. Carter: I notice that Rule 3 on page 2 does not refer to the French version. It does not amend the French version.

Hon. Mr. Molson: Mr. Chairman, this happens automatically. When rules are amended they are amended in both official languages. This has been the practice of the Rules Committee. However, it has also been the practice to deal with the text of one language only in the chamber.

The Chairman: Is Senator Carter satisfied?

Hon. Mr. Carter: Yes, I am.

The Chairman: Shall paragraph 1 carry?

Hon. Senators: Carried.

The Chairman: Paragraph 2.

Hon. Mr. Molson: Honourable senators will remember that this was included in the last report submitted by the Rules Committee. There was a good deal of misunderstanding about the reasons for this recommendation, and it was referred back to committee and reconsidered by it. I may inform honourable senators that the committee has not changed its mind in any respect. The principle involved here is to endeavour to have our daily order of business deal first with matters which may be considered the most important. There have been occasions on which inquiries and motions have, quite rightly, taken up considerable time but, coming ahead of the Orders of the Day, they have preceded legislation. It has been generally agreed that the first function of the chamber is to deal with legislation.

The other effect of this is to place the question period before inquiries and motions. If honourable senators will reflect, they will recall that on occasion they have waited through an hour or more of inquiries and motions before being able to pose a one-sentence question to the Leader of the Government or the chairman of a committee. The effect of moving the question period ahead is that questions will be in a more natural place in the routine proceedings of the day. The fundamental issue, however, is to place any legislation on our order of business ahead of items of the nature of a motion or an inquiry.

Hon. Mr. McIlraith: Honourable senators, it is with a great deal of hesitation that I rise to pose a question concerning these proposed amendments. This is for two reasons: One, because I first saw the proposed amendments at lunch time and therefore was not able to fully study them. The second reason is that I am very inexperienced and lacking in knowledge of the rules and practices of this honourable house. I therefore approach the subject with some trepidation.

I would like to ask for clarification of one point with respect to paragraph 2. It concerns me because of some experiences in another place. It is proposed, as I understand the effect of the amendment, that motions will be placed last in the order of business as set out in Rule 19. The definition of motions contained in the rule governing definitions gives a very wide interpretation. It seems to me that placing motions at the end of the order of business each day will handicap the chamber to a considerable extent. I have no doubt that there is some explanation of this and that the committee has considered it. I would like to hear that explanation. "Motions" embraces, among other things, such matters affecting the conduct of the chamber itself as the conduct of its business, hours of sittings, and when and how a particular legislative item will be dealt with. In view of this, if the one having the responsibility of leading the Senate, or any other honourable senator, wishes to put forward a motion concerning the conduct or business of the chamber, he can easily be denied the right to have it dealt with by senators who wish to pursue the matters on the Orders of the Day and avoid coming to the subject until it is too late.

• (1420)

I had previously understood that motions were dealt with in the early part of the order of business in any parliamentary chamber, and before the chamber dealt with the major business of the day, because those motions might involve matters concerning how the business of the house was to be conducted. I would be grateful if the chairman of the committee could explain what I obviously do not understand, namely, why in this house motions are inserted in what under ordinary circumstances would appear to be an unusual position, at the end of the Orders of the Day.

Hon. Mr. Molson: I appreciate the way in which Senator McIlraith worded his question. I am a little disturbed that he, with all his experience, should have any diffidence whatsoever. For me to answer his question is perhaps a little ridiculous, as his knowledge of such matters is much greater than my own.

I would say only that in the discussions on this matter in committee, which first occurred prior to the last report, which was over a year ago, and again on this last occasion, it was felt that if a motion or an inquiry ought to appear early in the business of the day, it was a simple matter to move that this be done, and that no serious problem would occur. In this chamber we have repeatedly deferred items "until later this day," and quite often have reverted to items on the Order Paper which had been called earlier in the day but had not been proceeded with.

I do not think there has been any occasion when, if necessary, an urgent motion could not be dealt with ahead of other business. Quite often inquiries and other matters have kept the chamber occupied for perhaps two hours before the legislative business on the Order Paper has been dealt with. I hope that answers my honourable friend's question.

Hon. Mr. McIlraith: I thank the chairman of the committee for his explanation, but it still leaves part of my question unanswered. I fully appreciate his reference to inquiries, but his reply did not deal with the narrower point about motions, and motions only. It is my understanding that the rules of this chamber, as they have been applied, have been largely free from restrictions. But here we are introducing what is, in effect, the right of veto over the conduct of business in the chamber.

I have an abhorrence of rigidity of rules, acquired, I might say, for good reason in the other place. It appears to me that in correcting something, we might inadvertently be embodying a new doctrine which, I am sure, all honourable senators would not find tasteful. It is the doctrine of any individual having, virtually, the right of veto. I am sure that is not intended. Perhaps my honourable friend would bear with me and explain a little more fully the narrow point of procedure with respect to motions.

Hon. Mr. Molson: Honourable senators, this matter was fully discussed in committee. I am sorry my honourable friend did not attend the committee meeting. The Leader of the Government, the Deputy Leader of the Government and the Leader of the Opposition were in attendance and have discussed this matter fully. I do not think they foresee any problem.

Perhaps the Leader of the Government or the Deputy Leader would care to answer this question.

Hon. Mr. McDonald: Honourable senators, there is one remark I might make which could be of assistance to Senator McIlraith in his understanding of the procedures we have followed in this chamber. Motions dealing with the work of the house are not normally dealt with under the item Motions; they are dealt with under Notices of Motion. If this amendment is adopted, the item of Notices of Motion will remain in the same position as it has occupied in the past. I think all motions dealing with the work of this chamber and the work of committees are dealt with under Notices of Motion and not under Motions.

Hon. Mr. Grosart: Perhaps I might help Senator McIlraith in his difficulty by suggesting to him that there is a difference in our rules between a substantive motion, which is dealt with in one of the suggested amendments which we will come to later, and motions of a "merely formal or uncontentious character." (Page 20, Rule 46(s).)

The motions referred to in the Orders of the Day are those for which notice must be given. There has always been a close link between Notices of Motion and Motions coming up as a result of notice having been given. Our rules provide for one day's notice, two days' notice, and, on occasion, no notice. The type of motion that Senator McIlraith is concerned about would normally come under Rule 46(s) which reads:

> other motions of a merely formal or uncontentious character.

As those motions require no notice, obviously they can be moved at any time. That is my interpretation of the rules. I repeat, the motion referred to in this suggested amendment is only the type of motion for which notice is required.

The Chairman: Shall paragraph 2 carry?

Hon. Senators: Carried.

The Chairman: Shall paragraph 3 carry?

Hon. Mr. Molson: This follows on from what we were just discussing. it simply sets out an order of precedence for these items as the Committee views their importance. If honourable senators will look at Rule 21 they will see that it provides:

> Unless otherwise ordered by the Senate, orders of the day take precedence according to priority as follows:
>
> (a) orders of the day for the third reading of bills;
>
> (b) an order of the day which was under consideration at the time of adjournment;
>
> (c) orders of the day which had not been reached at the time of adjournment;
>
> (d) remaining orders of the day.

This amendment in paragraph 3 sets out the order of precedence for these items.

The Chairman: Shall paragraph 3 carry?

Hon. Senators: Carried.

The Chairman: Shall paragraph 4 carry?

Hon. Mr. Molson: Honourable senators, there was some question raised as to whether under Rule 36 there was any way of adjourning a debate. In the rule as it stands there is no specific provision for adjourning a debate. This is really tidying up that rule so that it is specifically stated in paragraph (2) of Rule 36 that:

• (1430)

> A motion to adjourn a debate shall be deemed to be a motion to postpone.

The Chairman: Shall paragraph 4 carry?

Hon. Senators: Carried.

The Chairman: Paragraph 5.

Hon. Mr. Molson: As Senator Grosart said a few moments ago, there is no actual rule covering the making of a substantive motion in our rules. This is a correction,

and in Rule 45 we recommend the insertion of a new paragraph (h), which reads:

for the making of a substantive motion.

A substantive motion requires one day's notice, which is spelled out in paragraph (h).

Hon. Mr. Martin: I am not clear about the lettering here. Would that not be (i)?

Hon. Mr. Molson: The present paragraph (h) is re-lettered (i), and goes to the bottom; paragraph (i) is inserted there. The present paragraph (h) becomes the bottom paragraph. That is a catch-all phrase, as you will see, which reads:

for any purpose to which neither rule 44 nor rule 46 applies

This would be a specific purpose, the making of a substantive motion. That is under (h). Then under (i) would be the general application:

for any purpose to which neither rule 44 nor rule 46 applies.

Hon. Mr. Flynn: A good question and a good answer.

Hon. Mr. Grosart: Perhaps for the record it should be pointed out at this time that we have a definition in our rules of what I called a "substantive" motion. Senator Molson calls it a "substantive" motion. It means "an independent motion, neither incidental to nor relevant to a proceeding or Order of the Day already before the Senate." (Page 6, Rule 5(t).) I think Senator McIlraith will be happier because there is this definition of "substantive" motion.

Hon. Mr. Choquette: Both pronunciations are correct according to the Oxford dictionary.

Hon. Mr. Forsey: Senator Grosart takes refuge in the Oxford dictionary.

Hon. Mr. Grosart: I now call it a "substantive" motion, in deference to the chairman. I point out that there is this distinction, and this is the type of motion that requires one day's notice.

The Chairman: Shall paragraph 5 carry?

Hon. Senators: Carried.

The Chairman: Paragraph 6.

Hon. Mr. Molson: This matter was brought to the attention of the committee. It had been the subject of a great deal of discussion before the last revision of our rules. At that time this rule, as amended, applied. Committees were appointed for a session, and it was felt then that this made for too much change in the membership of the committees, that it would be much better if a committee carried its membership through a whole Parliament. Accordingly, the rule was changed so that when senators were appointed to a committee they were appointed for a whole parliament. Since that change was made experience has shown that perhaps this was not a wise move, that it more or less froze the situation—if I may use that term—and that, with the length of modern sessions, it may be better to go back to the old rule under which committees were appointed every session.

This was thoroughly discussed and it is safe to say that the committee was in unanimous agreement that we should go back to the position where all standing committees are appointed for a session. This means that at the beginning of each session we would go through the process of nomination of senators to serve on these committees. The members of the committees would then meet and appoint their chairmen. In practice, such committees would last for about a year, which seemed to be long enough.

The Chairman: Shall paragraph 6 carry?

Hon. Senators: Carried.

The Chairman: Shall paragraph 7 carry?

Hon. Mr. Molson: Paragraph 7 lists those committees the membership of which has been changed to conform with the recommendation of the Rules committee that committees in future consist of 20 senators plus the two ex-officio members of all committees, that is, the Leader of the Government in the Senate and the Leader of the Opposition in the Senate. They have been spelled out at length here.

In actual fact, the difference is only in the size of the committee membership and, with that change in membership, the reduction in the quorum—which, in every case, is reduced from seven members to five. We discussed at length the fact that the membership of the Senate is not large enough to permit 30 members on all these committees.

A paper was presented at our committee meeting showing that we actually have a total membership, on standing joint committees—those are committees in which we join with the House of Commons—and standing committees of the Senate, of 278. This has nothing to do with any special committees. The membership of the Senate last month was 92. All honourable senators know what the active membership is and what the actual attendance is. It is necessary only to look at the report of the daily proceedings to see that, and to realize that 278 memberships for 92 potential members is simply too many.

The committee therefore agreed that we should reduce the membership of these committees from 30 to what is in fact 22, because it will be 20 plus the two leaders who are ex-officio members. If we are to make our committees effective, I suggest that we have no other real choice.

Hon. Mr. Cook: If this rule comes into force and the membership of these committees is suddenly reduced to 20, what happens to the 10 members who would then be superfluous?

Hon. Mr. Molson: At the end of this report you will note it is recommended that these changes come into effect at the beginning of the next session. Therefore, it would be an automatic process.

Hon. Mr. Cook: Thank you.

The Chairman: Shall paragraph 7 carry?

Hon. Senators: Carried.

The Chairman: Shall paragraph 8 carry?

• (1440)

Hon. Mr. Molson: This is simply to clarify the fact that the recommended membership is 20 select senators in

addition to the two leaders. In other words, the total membership will in fact be 22. At the moment it is 30 but it will become 22, comprising 20 plus the Leader of the Government and the Leader of the Opposition.

The Chairman: Shall paragraph 8 carry?

Hon. Senators: Carried.

The Chairman: Shall paragraph 9 carry?

Hon. Mr. Molson: This is to correct a very glaring omission in our rules. At the moment there is no distinct provision for the appointment of a special committee. The only authority we have, if it can be called that, is in Rule 44(d) which requires two days' notice for the appointment of a special committee. That is the only rule that so much as acknowledges the existence of a special committee. So paragraph 9 is designed specifically to provide for the creation by this chamber of special committees.

The Chairman: Shall paragraph 9 carry?

Hon. Mr. Cook: Mr. Chairman, may I ask Senator Molson if there is any limit to the number of senators who can serve on a special committee? Is there any stipulation as to the membership of special committees?

Hon. Mr. Molson: There is no limitation whatsoever, senator. Each special committee will be the creation of the chamber, and in creating the committee the Senate will not only specify its size but will spell out the terms of reference, the responsibilities, and also to what extent the special committee is authorized to do such things as print its proceedings, call witnesses, incur expenses, and so on. In each case the terms of reference will include the size of the committee, its quorum, and its responsibilities.

Hon. Mr. Cameron: While we are on the subject of housekeeping, is there any need to make any changes with respect to rules governing the establishment of joint committees, or is that sufficiently covered at the present time?

Hon. Mr. Molson: I think it is properly covered right now, Senator Cameron.

The Chairman: Shall paragraph 9 carry?

Hon. Senators: Carried.

The Chairman: Shall the penultimate paragraph recommending that the foregoing amendments come into force at the commencement of the next session of Parliament carry?

Hon. Senators: Carried.

The Chairman: Shall the last paragraph carry?

Hon. Senators: Carried.

The Chairman: Shall I report without amendment the report of the Standing Committee on Standing Rules and Orders, recommending certain changes in the Rules?

Hon. Senators: Agreed.

The sitting of the Senate was resumed.

The Hon. the Speaker: The sitting is resumed.

[Hon. Mr. Molson.]

Hon. Mr. Bourget: Mr. Speaker, the Committee of the Whole to which was referred the report of the Standing Committee on Standing Rules and Orders has taken the said report into consideration, and now reports the same without amendment.

Hon. Mr. Molson: Honourable senators, I move that the report of the Standing Committee on Standing Rules and Orders be adopted now.

Hon. Mr. Flynn: The reason for that is, of course, that the Senate is unanimous in this matter.

Hon. Mr. Molson: I would say that honourable senators have thoroughly discussed these changes in the rules, and are in a frame of mind to pass the report now.

Report adopted.

PUBLIC SERVANTS

IMPROPRIETY OF MAKING SPEECHES ON MATTERS OF POLICY—DEBATE CONTINUED

The Senate resumed from Wednesday, June 14, the adjourned debate on the inquiry of honourable Senator Forsey calling the attention of the Senate to the impropriety of public servants making speeches on matters of policy.

Hon. M. Grattan O'Leary: Honourable senators, it is always an ordeal to follow the almost awesome scholarship of my friend, Senator Forsey. Last week Senator Argue complained that what he called the communications media, which is a new name for the press, paid little attention to the proceedings in this chamber. As an old journalist I should like to say that if we could get more speeches of the character of that delivered last week by Senator Forsey the press would beat a path to our galleries. The press is not going to report the innocuous proceedings that too often take place in this house. The press is not concerned, not at all concerned, with cliché-ridden motions such as we have here from time to time.

I am interested in the inquiry of Senator Forsey, although I feel he should have widened his territory a little. The inquiry reads in part:

> —the impropriety of public servants making speeches on matters of policy.

In due course in my speech I will ask him why he restricted his motion to speeches. Surely, written articles, books, and things which amount to little more than election propaganda should be prohibited as well.

• (1450)

But before I go further, honourable senators, I should like to address a remark to the distinguished Senator Lapointe, who followed Senator Forsey and intimated, if she did not say it explicity, that those of us who might be critical of Mr. Carson are moved by motives based on hostility to the French fact in Canada. I would say to Senator Lapointe that I am an exile from Quebec and I yield to no person in the Senate or outside of the Senate, or, indeed, anywhere in Canada, in my admiration for the French fact in Canada, for the glory that it has been and the glory that I hope it always will be.

Hon. Senators: Hear, hear.

Hon. Mr. O'Leary: As a journalist, when I was writing editorials for the Ottawa *Journal* for 30, 40 or even more years, I complained about public servants getting into the area of policy in their speeches and writings. I remember one occasion when Mr. Graham Towers, then Governor of the Bank of Canada, made a speech somewhere in this country and told the Canadian people it was time for them to tighten their belts. I said to Mr. Towers that he should mind his own business; it was not his business to tell the Canadian people that they should do this, that or the other thing; he was there to administer the Bank of Canada Act, and that was all he was or should be concerned with.

I must say that what my friend calls the "press media" has often been at fault in this sort of thing. For example, when Mr. Donald Gordon was appointed head of the Wartime Prices and Trade Board, immediately the press started to refer to him as a czar. He was not a czar, honourable senators. His job was to administer an act of Parliament given to him to administer, and outside of that he had no business at all.

But this sort of thing has grown in Canada. I go back a great number of years in observing political affairs in this country, and I often wonder what Sir Wilfrid Laurier would have said to his able and gifted secretary, Mr. Ernest Lamaire, if he had started making speeches and writing articles about public policy. I wonder what Sir Robert Borden would have said to his secretary, a very able man too, Mr. A. E. Blount, if he started making speeches or writing articles about public men or public policies.

This is all changed today, and the only criticism I have to make of the speech delivered by my friend, Senator Forsey, is that he dealt almost exclusively with Mr. Carson. I agree with him, and I add a hearty amen to everything he said about Mr. Carson, but I think he should have widened the area covered by his speech and dealt with men, some of them from the Prime Minister's office, who daily are dealing with public questions and public men, and not only making speeches about them but writing articles in foreign publications such as *Foreign Affairs*, and putting out publications that can only be characterized as campaign literature.

Hon. Mr. Fournier (De Lanaudière): Do you say they do not have the right to do this?

Hon. Mr. O'Leary: That is utterly irrelevant, as are most of the interruptions of my honourable friend. It is not a question of right or wrong; it is a question of whether they have the right to indulge in that sort of thing at all. Frankly, I do not care what is written in *Foreign Affairs*; it has become so dull today that nobody reads it. It is financed and practically owned by a few old bankers now retired who have an office on Park Avenue. But I do object strenuously, when an election is in the offing, to a member of the Prime Minister's staff—and I will name him because he is not anonymous, Mr. Ivan Head—writing an article on Mr. Trudeau in which he practically says that he is a cross between Jesus and Lincoln. Honourable senators, this is utter nonsense. This should not be allowed in this country, and this is why I am surprised that my friend, Senator Forsey—and God knows he has never been afraid to speak his mind—deliberately omitted Mr. Ivan Head from the criticism which he levelled against Mr. Carson.

I think Mr. Carson's position is absurd. Of course, we all want our civil service to be representative of all the races in this country, but how do you achieve that? When he says, "We will make it representative," does not that involve a quota system? How do you make a distinction between a representative system and a quota system? If they are going to make it representative, then you have to have a quota, and we cannot have a civil service based on quotas because this principle could be included in our public lives.

It began with Confederation when Sir John A. Macdonald was forming his cabinet. One of the first priorities that he adhered to was that all races, all regions of the country, and all religions should be represented in cabinet, and he was so insistent on this point that two of the giants of Confederation, Charles Tupper and Thomas D'Arcy McGee were excluded from that cabinet.

We have a quota system in the Senate—although I must say it does not seem to affect the Liberals, unfortunately—and there are representatives of various religions, various races, and various regions of this country. But while you can do that in a Senate, in a legislature, or even in a cabinet you cannot do it in a civil service—at least not if you have a merit system.

I often wonder how many of our young pundits who write and speak all the time on public affairs know that the merit system in this country was the work of a Conservative prime minister. We had a Civil Service Commission before that, and Mr. Adam Short was the chairman of it. But Sir Robert Borden brought the first true merit system into being in this country, and he thought so highly of that system that he made one of his own cabinet ministers, Dr. Roche, the first chairman. This is the merit system. It is based and must be based on the simple proposition that you hired the man best capable of doing the job, and, honourable senators, you simply cannot do that under a quota system.

I want the French fact to be recognized in Canada, and I must say that over the years that I have sat in the Parliamentary press gallery the French fact was not recognized, and those who were mostly to blame for this situation were the French Canadian members themselves. In all the years I sat in the press gallery I never heard Sir Wilfrid Laurier say a word in French, and I remember on one occasion when a question arose about bilingual money, Sir Wilfrid Laurier pooh-poohed the idea and he said, "I have never known of one of my compatriots who could not understand, use and recognize a $20 bill in English."

The French fact in Canada, in the years that I sat in the Parliamentary press gallery, was recognized by the existence of a translation system, and a poor one at that. But the members from Quebec were themselves responsible, or mainly responsible, for that situation in that they did not insist upon their rights. The right was always there. A speech in French was always in order. However, it was weeks and months before you heard a member from the Province of Quebec rise to address the chamber in French. I have been complaining about this matter over and over again, and I repeat it now.

• (1500)

I glory in the French fact in Canada. I hope it will continue; I pray it will continue. As an exile from the Province of Quebec I myself do not believe the people from that province would ever vote to separate from Canada. They are a part of our lives, and a great part. I dislike hearing Canadians, whether they are Anglo-Saxons, Scots, or of Irish ancestry, attacking the position which the Province of Quebec is taking at this time. We cannot do that. I sat here during the conscription era and, once again, Anglo-Saxon Canadians did not understand. They have never understood the French mind. I will add that my party, the Conservative Party, was as much to blame as anyone else. I am not making a partisan speech. I am saying that I want French Canadians and Canadians of any other race to have full access to civil service jobs in Canada. However, giving them full access is not to say that we should move to an equal quota system. Of course, they should have access. But if they lack training, if they lack the capacity to do the job in this age of technology where a lot of skill is required then, no matter what their racial origin is, they should not be given the job. This applies to English-speaking Canadians as well as French-speaking Canadians. The merit system is the merit system, and if we start tampering with it and frittering it away we will lose it. I say God help the Civil Service of Canada if we lose the merit system.

I have said, perhaps, more than I intended. However, I hope that Senator Forsey and people like him—and it will not always be easy to find men who can put the position as he put it the other day with that skill, clarity, and scholarship which characterizes all his speeches in this chamber—will continue to raise their voices.

In conclusion, I should like to say to Senator Forsey that if I had the influence which he has with the Prime Minister—

Some Hon. Senators: Hear, hear.

Hon. Mr. O'Leary: This is not a laughing matter. He is an old comrade in arms of the Prime Minister, and today he is still a comrade in arms, even if it is under a different flag. If I had his influence with the Prime Minister I would go to him and ask: "Mr. Prime Minister, are you sure that somebody near to you is not helping to motivate Mr. Carson in the position he is taking?" I would say that to him. I could be wrong. However, there is a feeling in this country, and let us make no mistake about it, that somebody high in the Prime Minister's office, or somebody near to him, is behind those who, in their mad and frantic anxiety to consolidate the Liberal Party in the Province of Quebec, are endangering national unity.

Hon. Mr. Fournier (De Lanaudière): My friend, Senator O'Leary, referred to Sir Wilfrid Laurier. During the first war Sir Wilfrid met a young Tory, as Senator O'Leary is today, who said to him: "If I had your authority and your prestige in the Province of Quebec, I would go to the French Canadians and tell them to enlist." Sir Wilfrid answered: "If I was your age, my friend, I would not go to them. I would just enlist."

Hon. Miss Lapointe: Honourable senators, I will say a few words in English so I am better understood by my honourable colleague, Senator O'Leary.

[Hon. Mr. O'Leary.]

[*Translation*]

The Hon. the Speaker: Order, please. I believe Senator Lapointe has already spoken on the subject, and we must respect our rules. Rules 28 stipulates that a senator shall not speak twice to a question except in explanation of a material part of his speech in which he may have been misunderstood.

Unless I am mistaken, Senator Lapointe wishes to put a question and not introduce new considerations pertaining to her speech.

[*English*]

Hon. Mr. Choquette: The honourable senator wishes to ask a question. She does not need consent to ask a question.

Hon. Mr. Fournier (De Lanaudière): This was the interpretation given by the Chair when the honourable senator rose to speak.

Hon. Miss Lapointe: I will ask only one question. Does Senator O'Leary think that all English-speaking civil servants have been placed in their positions on account of their merit?

Hon. Mr. O'Leary: No, I certainly do not. I am afraid we have not reached that degree of perfection in the government of this country.

The Hon. the Speaker: This inquiry is now considered debated.

Hon. Mr. Forsey: Before the debate is closed, might I mention a matter in regard to a statement of Senator O'Leary?

The Hon. the Speaker: I think we should proceed under the rules. Senator Forsey has already spoken on this inquiry. There is no question with regard to closing the debate on the inquiry. Under Rule 28 he has the right to rise at this time and explain certain matters, or clarify certain points which he has already made, but he must not introduce new arguments at this time.

Hon. Mr. Forsey: No, I merely wish to clarify two points. First of all, I mentioned articles as well as speeches; and secondly, I was talking about public officials and not about people like executive assistants or whatever they may be called. I think they are in a somewhat different category. I do not wish to argue the point with Senator O'Leary. However, I think there is a distinction to be made between people who are executive assistants and those who are members of the Public Service of Canada.

Hon. Mr. O'Leary: There is a distinction without a difference.

On motion of Hon. Mr. Flynn, debate adjourned.

• (1510)

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

FOURTEENTH MEETING—DEBATE CONCLUDED

The Senate resumed from Thursday, March 16 the adjourned debate on the inquiry of Hon. Mr. Deschatelets calling the attention of the Senate to the Fourteenth Meeting of the Canada-United States Interparliamentary

Group, held at Ottawa and Montebello, 16th to 20th February, 1972.

Hon. A. Hamilton McDonald: Honourable senators, this item has been standing in my name for some considerable time. At one time I thought I might make a contribution to the debate, but I do not think I can add anything to what has been said. In view of the fact that we are now approaching the summer recess, I think this item might be removed from the Order Paper.

The Hon. the Speaker: This item is now considered debated.

BUSINESS OF THE SENATE

Hon. Mr. McDonald: I remind honourable senators, before the adjournment is moved, of the two subcommittee meetings, one to take place immediately in room 256-S, and the other in Mr. Dean's office one hour from now at 4.10 p.m.

Hon. Mr. Grosart: Would the Deputy Leader of the Government identify the one and the other?

Hon. Mr. McDonald: Yes. The meeting to be held immediately in room 256-S is on budgets. The one to be held one hour later has to do with the Clerk's Accounts.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Thursday, June 22, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate, and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Monday, June 26, 1972, at 2 o'clock in the afternoon.

Honourable senators, perhaps a word of explanation would be in order. It is my understanding that tomorrow will be a government business day in the other place, and I would hope that some legislation might come to us. It is anticipated that at the end of next week we shall be starting our summer recess, and therefore we have come to the conclusion that we should sit next Monday instead of Tuesday. Because there is a dinner to be held Monday evening, we propose to sit in the afternoon, at which time we will be able to start dealing with any government legislation that should come from the other place in the meantime.

Hon. Mr. Flynn: And if we have nothing else to do we can prepare our appetite.

Hon. Mr. Martin: Some of our appetites are quite keen right now.

Motion agreed to.

AGRICULTURE

APPOINTMENT OF MEMBERS TO STANDING SENATE COMMITTEE

Hon. A. Hamilton McDonald, with leave of the Senate and notwithstanding Rule 45(1)(h), moved:

> That the following senators be appointed to serve on the Standing Senate Committee on Agriculture, namely, the honourable Senators Argue, Benidickson, Fournier (Restigouche-Gloucester), Haig, Hays, Lafond, Lawson, McDonald, McNamara, Michaud, Molgat, Norrie, Petten, Prowse, Quart, Sparrow, Welch, Williams and Yuzyk.

Hon. Mr. Martin: Was there not a mistake? Did I not understand Senator McDonald to say that Senator Molson's name had been added to the list of members on this committee?

Hon. Mr. McDonald: I had a private conversation with Senator Molson before the house went into session this afternoon, and he advised me that he would rather purchase some of the raw products rather than grow them. However, since the motion has carried—

Hon. Mr. Flynn: No it has not carried. I am not sure whether the names of the Leader of the Government and the Leader of the Opposition are on that list. Of course, you will remember that Senator Martin was the agricultural expert on the Liberal side in the House of Commons from 1958 to 1962. You should have heard the speeches he made on soya beans.

Hon. Mr. Walker: And on rapeseed.

Hon. Mr. Martin: In some places the speeches produced fruit.

Hon. Mr. Flynn: Yes, in Assiniboia.

Hon. Mr. McDonald: The Leader of the Government and the Leader of the Opposition are *ex officio* members of the Standing Senate Committee on Agriculture as they are on all other committees. I am looking forward to their speeches on agriculture.

Motion agreed to.

Hon. Mr. McDonald: Honourable senators, since this motion has carried, might I advise the members on the Standing Senate Committee on Agriculture that there will be an organizational meeting when the house rises this afternoon.

Hon. Mr. Flynn: I thought everything was already organized.

Hon. Mr. McDonald: Maybe it is and maybe it is not.

THE ESTIMATES

REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate resumed from Tuesday, June 20, the adjourned debate on the motion of the honourable Senator Everett, seconded by the honourable Senator Isnor, for the adoption of the Report of the Standing Senate Committee on National Finance which was authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending March 31, 1973.

Hon. Allister Grosart: Honourable senators, the report of the Standing Senate Committee on National Finance for 1972-73 appears on page 510 of the *Debates of the Senate* for last Tuesday, June 20.

• (1410)

Honourable senators will find there some comments by the chairman, Senator Everett. To these I have the honour to add a few comments of my own which may be of interest in view of the fact, of course, that we are expecting an appropriation bill next week and the Senate committee is charged with the responsibility of reporting on the Estimates before any appropriation bill is considered by the Senate. I need hardly say that parliamentary approval of the Estimates, in whole or in part, is a necessary precondition of the passing of any appropriation bill.

The Estimates on which the Senate committee's report is based are projected expenditures, budgetary and some non-budgetary, totalling—I will be using round figures—approximately $15.7 billion. Now, just in case anyone might have the impression that this enormous figure of $15.7 billion can be regarded as the total intended spend-

ing by the federal government next year, I should perhaps add four qualifications.

The first is that the figure of $15.7 billion does not include certain non-budgetary items amounting to approximately $790 million, bringing the total immediately up to approximately $16.5 billion. Secondly, the Estimates were prepared and presented before the presentation of the last budget by the Minister of Finance on May 8. If my arithmetic is correct, the additional changes in the government spending intentions announced in that budget would raise the figure to over $17 billion.

This is not all. One of the difficulties that the committee has always faced in examining the budgetary Estimates is this very fact that they are not all-inclusive of government spending intentions. Other figures are now available and are to be found in a document appended to the budget speech, which is entitled "Federal Government Revenue and Expenditure on a National Accounts Basis." This shows the federal government forecast of expenditures for 1972-73 as $20 billion, which is the realistic figure that I believe parliamentarians should keep in mind when discussing an appropriation bill or the Estimates. We can add an amount, comparatively small in relation to the figures which I have been mentioning, of $180 million as a result of some bookkeeping legerdemain which appears in the budget Estimates. Senator Everett commented on it, but the fact, of course, is that although these Estimates are intended to give an accurate statement of government spending intentions, there is that $180 million anticipated as due from the government as its share of payment into the Unemployment Insurance Fund. This is left entirely out of the $15.7 billion figure which I have given because of a change in the Unemployment Insurance Act by which the government will make its contribution at the end of the year, when the deficit is determined.

Therefore, I say that we are dealing with approximately $20 billion of government spending intentions in the next year. There has been a custom in recent years of the Standing Senate Committee on National Finance to attempt to relate these expenditures to the growth of our gross national product. The purpose of doing that is to ask the essential question: where does the money come from, where will it come from?

Each year we are dealing with very substantial increases in government spending at all levels, federal, provincial and municipal, and obviously the only place that money can be provided to accommodate these increases in government spending is from increases in national productivity. So one would assume that all governments, including the federal government, would not increase expenditures beyond the increase, in current dollar terms, in national productivity.

This, I am sorry to say, is not so. Senator Everett gave two figures, the projected increase in current dollars of GNP for this year, as indicated by the Minister of Finance, which represents an increase of 9.1 per cent. Senator Everett, in correctly examining the figures in the Blue Book in relation to this, said that the increase—and this is only in relation to the $15.7 billion—would amount to 9.7 per cent. Therefore, as a starter, on the bottom level, we know that it is the intention of the federal government to spend more than the national productivity will provide, which means, of course, added deficit.

If we take into account the other figures that I have mentioned, I would suggest that the real increase in government spending this year is over 11 per cent, not the 9.7 per cent in the Blue Book. This is so because more recent tables show that the comparable figure to this year's $2 billion is $18 billion for last year, which means an increase of $2 billion, which I suggest is 11 per cent.

It is only fair to say that some part of this, particularly the non-budgetary items, may be or will be recoverable, because these figures include loans, investments and advances, most of which go to crown corporations.

On the other hand, from the point of view of the economy, it is important that there should be some relation between increases in national productivity and the amount which the government finds necessary to extract from that productivity to support its programs and policies. It is not all nonrecoverable, but, of course, much of it is.

This raises a question which is concerning a great many people—

Hon. Mr. Martin: Concerning what?

Hon. Mr. Grosart: —which is concerning a great many people, particularly economists. It is whether there is a limit to the growth in the demands of the public sector, *vis-à-vis* the private sector. There are those who are in favour of increasing the demands on national productivity for public sector use, and there are those who hold other views. But no matter how we look at it, it seems to me to come back to the fable of the golden goose.

• (1420)

I do not know if there is any other way of looking at the major factors in the economy than to say that any money expended by the public sector—that is, by the government—can only come from productivity engendered by the private sector. As far as I know, there is no study being made with respect to this problem. Perhaps this is a study that our own committee might undertake. At the present time we do not know, as far as I have been able to determine, what percentage of the total productivity is now controlled by government. I have mentioned the figure of $20 billion as the federal government expenditure. We can add to that at least another $20 billion as the expenditures of the two other levels of government, bringing us to $40 billion of the national productivity which is probably in the neighborhood of $100 billion. But this again is only the start of the equation. Beyond these particular expenditures that appear in the various tables I have indicated are all the other extractions from national productivity which are placed under the control of government or government corporations of one kind or another. If the arithmetic was done at the present time—and it would be a difficult and laborious job, but I think it should be done—it would certainly show that governments—the public sector—now have under their control more than 50 per cent of national productivity. I am not arguing as to whether this should be so or not. What I am saying at this time is that it should be the subject of very serious study and we should not arrive at a point of catastrophe or disaster in this respect without at least

foreseeing it. So often in such matters we discover the facts after the facts have led us into trouble.

Senator Everett gave some indication of the functional areas which account for these increases in the Blue Book. It has been customary in the past also to make comparisons department by department. We in the committee selected the seven departments which did account for the largest increases in the budgetary Estimates.

Honourable senators might be interested in a brief rundown. The Department of National Health and Welfare Estimates are up $240 million. This increase is accounted for mainly by an increase of $140 million in hospital costs and $110 million in the costs of medical care. It is not $150 million as there are some contra accounts.

The Treasury Board Estimates are up $145 million. There is some difficulty in accounting for that as part of this is in a contingency fund which has been set up prior to the passing of a bill relating to student summer employment; $25 million of it is for the extension of bilingualism in the Public Service.

The Department of Regional Economic Expansion Estimates are up $79 million, largely due to incentive grants to industries to locate in keeping with the policies and programs of that department.

The Department of the Secretary of State Estimates are up $85 million, mainly accounted for by the federal government's costs in the subsidization of secondary education. These are transfers to the provinces in keeping with the federal government's undertaking to fund 50 per cent of the cost of post-secondary education.

For the RCMP the Estimates are up $43 million. This is accounted for largely by salary increases, increases in population and increase in responsibilities of the force.

For the Department of National Defence the projected expenditures are up $43 million, the main reason there being the move towards what is called pay parity in the Armed Forces; that is, for pay entitlements equivalent to comparable positions in the Public Service other than the Armed Forces.

With the Post Office we had some difficulty in finding an accounting for the situation. This seems to me to be still rather obscure. It is still costing the federal government something like $70 million or $80 million a year. We all agree that some efficiency improvements have been made. We looked for indications that these might have had some important effect on Post Office deficits, but we could not find evidence of that.

Although the figure is not in the Blue Book but is incidental to it, there is an increase in the public debt. The total figures of the increases in the last fiscal year may indicate to honourable senators that there is some validity to my concern about government spending running year after year in excess of the rate of GNP increase. The public debt of Canada is now $47 billion. This is not an unmanageable figure, but in the last fiscal year the increase was $4.6 billion, the largest increase in peacetime that we have had.

The status of some of the large government-operated funds may be of interest to honourable senators. The Old Age Security Fund had receipts of about $2.1 billion and expenditures of about $2.2 billion, a deficit of about $85 million.

The Canada Pension Plan fund had receipts of $1.1 billion, $167 million in excess of pay-outs.

The Unemployment Insurance Fund seems to be approaching a dangerous stage. Its reserves are now only $15 million, and these reserves dropped from $351 million a year ago.

The loans to crown corporations now stand at $1.249 billion, an increase in the year of $128 million.

Loans to "Others" now stand at $513 million, an increase of $270 million in the last year.

The Central Mortgage and Housing Corporation indebtedness now to the government—money which we would all hope would be recoverable in full, or close to that—stands at $6 billion.

The Canadian National Railways-Air Canada account shows $2.5 billion in loans; the Farm Credit Board $1.25 billion in loans; the St. Lawrence Seaway $700 million; Atomic Energy of Canada Limited, $617 million; the Export Development Corporation $500 million; loans to provincial governments, $500 million; and "Others," $1.8 billion. Honourable senators may be interested to note that amongst those there is the 1946 loan to the United Kingdom, which now stands at $997 million. The United Kingdom, of course, is paying back every year on the principal involved.

• (1430)

Honourable senators may also be interested in the fact that there is a new table out, prepared recently, which shows where the money comes from. Of total federal government revenue, 44 per cent now comes from the personal income tax; 15 per cent from corporations tax; 14 per cent from sales tax; 7 per cent from customs duties; 6 per cent from excise taxes; 3 per cent from other taxes, and 11 per cent from non-tax sources.

As to where the money goes, this table shows that 24 per cent goes on Health and Welfare; 15 per cent on Economic Development and Support; 13 per cent on Public Debt; 12 per cent on Defence; 9 per cent on Fiscal Transfer Payments, (those are not personal transfer payments but payments to the provinces); 7 per cent on Transport and Communications; 4 per cent on Education Assistance, and 16 per cent on other expenditures.

I place some of those figures before honourable senators, as I indicated in starting, to place in context the appropriation bill which will come before us next week, we presume.

In closing, I would like to say that as a member of that committee I believe I am expressing the concern of other members, and certainly of the chairman, that Parliament as a whole does not seem to be doing an adequate job of examination and assessment of the Estimates and therefore an adequate job of the control of public finance. This view is growing in the other place; it was expressed by some leading members of that place in the last week, in vigorous terms.

The role of the Senate is obviously the lesser one. The House of Commons has problems of its own, with its rules and with its time, in that time is not available. I take it that

they are not in any way satisfied that the new system of referring Estimates to committees automatically on second reading is working as well as had been hoped. We are all anxious to see the House of Commons finding ways and means to make more adequate the parliamentary control of government expenditure. Of course, that can be done only if there is an awareness, after assessment, of the expenditures and the reason for those expenditures. Of the budgetary Estimates of $15.7 billion, over half is on statutory expenditures. That is to say, those are expenditures required under existing acts of Parliament.

Of the other total that I spoke of, $20 billion, only about $8 billion actually comes before Parliament regularly for approval under the main Estimates. The statutory items are merely given for information and report.

Honourable senators, I believe it is the feeling of my own committee that we should in due course take a larger share of responsibility for doing a more sophisticated job in the examination of the Estimates. I think I am revealing no secret when I say that I know the chairman has this very much in mind and I for one hope that the Senate, in spite of its lesser role in this area, can add to its achievements in the public interests in this field.

Hon. Paul Martin: Honourable senators, unfortunately, Senator Everett who is chairman of the committee is unavoidably absent. However, as I listened to Senator Grosart it occurred to me that there should be some contribution on behalf of the government, not because Senator Grosart's statement has been controversial or lacking in objectivity but rather because it was not possible for him to cover every conceivable aspect of the problems arising out of the government's presentation of the Estimates for this fiscal year.

I fully support what Senator Grosart has said about the desirability of Parliament, through its two houses, exercising the utmost scrutiny over public expenditures. Certainly, with more time at our disposal in this house of Parliament we have an opportunity of giving a thorough examination of government expenditures, and also to recommendations for the arrangement of the Public Accounts, as Senator Grosart pointed out in his statement when he spoke on the report of the presentation of the main Estimates.

The main Estimates for 1972-73 are, as are pointed out in Senator Everett's report, $15.749 billion as compared with $14.352 billion for the previous fiscal year, 1971-72. This increase of $1.397 billion represents, according to our calculations, a 9.7 per cent increase in the Estimates, although, unless I misunderstood Senator Grosart, he thinks that that figure is not accurate and that it should be 11 per cent.

Hon. Mr. Grosart: I hope the Leader of the Government will allow me to intervene at this point, because the last thing in the world I meant to indicate was that the 9.7 per cent figure given by Senator Everett was not accurate. It was an accurate figure. The 11 per cent figure that I spoke of was with respect to a comparison of the $18 billion and the $20 billion. I would not want the impression to be left that I had any doubt about the accuracy of the figure given in the report by Senator Everett.

Hon. Mr. Martin: I am glad that Senator Grosart has made that correction. Perhaps I should have noted it myself, because he did say that these Estimates as presented did not comprehend all the expenditures of the government, and he did use the figures $18 billion and $20 billion.

Senator Grosart made that point in the committee and it is a point that he has made in other years. As I understand it, his complaint is that the government Estimates, traditionally, do not reveal the total spending or lending of the taxpayers' money that it is intended to disperse in any one year.

Hon. Mr. Grosart: If the Leader of the Government will again allow me to intervene, I should like to help him interpret what I said. I did not complain. I was bringing facts to the attention of the Senate. It would be absurd for my remarks to be interpreted as saying that I thought the Blue Book should contain the $20 billion figure. The purpose of the Blue Book is well known to anyone who has lived with it: it does not purport to give all the figures and I was not suggesting that it should.

• (1440)

Hon. Mr. Martin: I think there was an honest misunderstanding here. I was just looking at some of the remarks that Senator Grosart made in other years on the presentation of the Estimates, and putting those remarks together with his statement concerning the $20 billion figure. I thought this was a reiteration of what I think was an understandable argument, but one that can be answered. It seems to me that there are some answers to the fact that the Estimates do not include all the obligations, the pecuniary obligations, of the government. This is because there are certain conceptual aspects. It is a question of dealing with these in the Public Accounts. For instance, how would the expenditures of crown corporations be treated? One crown corporation, for example, may be financed in part from its own revenues. Should these expenditures be included in the Estimates?

Hon. Mr. Grosart: They are.

Hon. Mr. Martin: With great respect, no, because that would mean reporting twice.

Hon. Mr. Grosart: Look at the Blue Book and you will find those corporations reported on.

Hon. Mr. Martin: I am sure my statement is correct, otherwise the government would be reporting twice with regard to the same expenditure. Let us take pension funds as another example. Should expenditures from these funds be included when the government contribution to the fund has already been included in the Estimates? You cannot do it twice. A change, for instance, in the nature of the Estimates would have to include a review of the relationship—

Hon. Mr. Grosart: Just a moment, while you are dealing with that—

Hon. Mr. Martin: If I may at least finish this sentence—

Hon. Mr. Grosart: I wish to say this before my honourable friend finishes his sentence because it may help him and he may not need to finish the sentence. There is no question and nobody has ever suggested, so far as I know,

that the government should not report expenditures in several documents. I have not suggested that and I don't know of anybody else who has suggested that. In fact nobody has ever suggested that the Blue Book should contain figures that should not be there. So what the Leader of the Government is talking about are figures that are not in there, and that are not in there for a good reason.

Hon. Mr. Martin: I am glad to hear that statement. My interpretation of the argument that Senator Grosart made in previous years was that the Estimates did not reveal the full source of government financial obligations and proposed expenditures, and that they should. But now we have had a clarification. I think this is satisfactory in that it will help when we come to consider the appropriation bill next week.

Hon. Mr.Grosart: I had hoped it would also shorten your speech.

Hon. Mr. Martin: Well, I have never found that any intervention of mine was capable of shortening one of your speeches.

I repeat that one half of the main Estimates, or $7.64 billion, is accounted for by statutory expenditures, and the remainder, $8.109 billion, represents funds for which Parliament must give its authorization.

Statutory increases arise from the following factors: increase in costs and transfers to provinces and other arrangements whereby the federal government shares with the provinces costs for health, welfare and education.

My friend spoke of non-statutory expenditures, which are accounted for by the following factors: rising costs and development of policies which reflect the emphasis of the government's concerns, such as increased allocations for regional and economic expansion, environmental problems, and Canadian development funds. The increases are broken down as follows: $165.7 million for increases in interest charges on the public debt; $139 million for hospital insurance; $110 million for medical care; $80 million for post-secondary education; $41 million for the post office deficit, and $91 million for the budget of the Department of Regional and Economic Expansion.

Other items in the Estimates include $62 million for student summer employment, which is a figure over and above the existing $23 million set aside within departmental budgets. There is also a figure of $790 million in non-budgetary expenditures such as loans, investments and advances.

Hon. Mr. Grosart: May I ask the Leader of the Government if he is merely repeating the figure I gave?

Hon. Mr. Martin: Yes, but I am drawing different conclusions and trying to explain the figures. My friend has quoted figures mentioned in the report presented to this house by Senator Everett, and nobody objects to Senator Grosart's quoting figures from any source, including the report now under discussion. But if it is right for Senator Grosart to do that, it is right for anybody to do it, particularly the spokesman for the government in this house.

Hon. Mr. Grosart: I was just wondering if you listened to my speech.

[Hon. Mr. Grosart.]

Hon. Mr. Martin: The forecast for last year's expenditures totals $15.058 billion, which represents about $700 million less than the Estimates for 1972-73. In keeping with the government's policy of clarifying the Estimates—and Senator Grosart has assisted in developing over the years this process of clarification—and providing as much information as possible—the Estimates now include programs which generate revenue. These programs are now shown with the exact source of their revenue, be it sales of permits, proceeds from sales or fees for services. That is something that Senator Grosart urged two years ago. Here, honourable senators, I am simply pointing out that this has now been accepted.

It is wrong to argue that the government expenditures are not keeping in tune with government responsibilities. I think government expenditures are not, however, rising at as great a rate as the increase in the responsibilities of government today. The government's responsibilities grow as the population rises and as the Gross National Product expands. In fact, increases in government expenditure at the federal level closely approximate rises in the Gross National Product.

Federal expenditures rise at a slower rate than do the expenditures, incidentally, of municipalities and of the provinces, and that has been the case in Canada for some time. The average growth rate of federal expenditures between 1967 and 1971 was 11.8 per cent per year. Senator Grosart nods. I hope he is not going to argue again that this is something he has adequately covered in the admirable statement he made a few moments ago.

• (1450)

Each year substantial sums of federal expenditures are transferred to the provinces. If one subtracts these transfers, the average growth in federal expenditure amounts to about 9.3 per cent per annum, which is approximately the same as the growth in the GNP.

Provincial government expenditures have grown much more dramatically, and even if one subtracts the transfers to the local governments for administrative control and expenditure purposes one is left with an average annual growth rate of 19.5 per cent.

One half of the federal government's total expenditure derives from statutory provisions made by Parliament, from uncontrollable items. Costs under these programs rise each year. The other half derives from programs set forth in the Estimates and the appropriation acts.

I think Senator Grosart mentioned this: growth in statutory expenditures has increased from 43 per cent to 48 per cent in the last five years. It follows therefore that the scope for the government's non-statutory expenditures each year has been reduced rather than enlarged.

The government does exercise what control it can over items that are not controllable. This is reflected in the statistics on the growth of the federal Public Service. The Public Service has grown at an average annual rate of 1.5 per cent, which is much less than the growth of government responsibilities for the administration of programs such as the Canada Pension Plan, the guaranteed income supplement and numerous other complicated measures involving the rise and expenditure of public moneys.

In answer to those who would criticize the form in which the Estimates are presented, it should be pointed out that the existing form results from the unanimous recommendation of the Public Accounts Committee in the other place, a recommendation which was given lengthy consideration. As Senator Grosart has pointed out, that committee spends more time examining the substance and form of the accounts. The government did give careful consideration to the recommendations of the Public Accounts Committee.

I think Senator Grosart would agree that this year's Estimates provide more information and that the new committee system for considering the Estimates has increased considerably the time available for this task. I think also the new format enables a longer period for questioning the minister concerned with the administration of the Treasury Board itself.

I hope I have not added a quality of boredom to Senator Grosart's interesting speech, by presenting these supplementary facts.

Hon. Mr. Grosart: I wish to say something to the Leader of the Government and I do not want to transgress the rules. I find it difficult to put it in the form of a question. So I merely say to him that far from being bored, I found his comments regarding my remarks exciting and unquestionably educational.

Report adopted.

CANADIAN FILM DEVELOPMENT CORPORATION

MOTION TO AUTHORIZE STUDY OF ADMINISTRATION AND OPERATIONS BY HEALTH, WELFARE AND SCIENCE COMMITTEE—ORDER STANDS

On the Order:

Resuming the debate on the motion of the honourable Senator Lapointe, seconded by the honourable Senator Graham:

That the Standing Senate Committee on Health, Welfare and Science be authorized to examine and report upon the administration and operations of the Canadian Film Development Corporation.—(Honourable Senator Lamontagne)

Hon. Mr. Lamontagne: Honourable senators, in light of the mood which exists in this chamber this afternoon, I ask that this order stand until the next sitting.

Order stands.

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, June 1, the adjourned debate on the inquiry of Hon. Mr. Croll, calling the attention of the Senate to the Report of the Special Committee of the Senate on Poverty in Canada, tabled in the Senate on Wednesday, November 10, 1971.

Hon. Chesley W. Carter: Honourable senators, we have had an excellent debate on the Report of the Special Senate Committee on Poverty. It began in the last session and has continued again in this session. I should like to congratulate all who have spoken in this debate on the excellence of their presentations.

In his eloquent and masterful contribution in this chamber on Thursday, June 1, Senator Thompson drew attention to the many recommendations contained in the report over and above the guaranteed annual income. He dealt with these so effectively and summed up both the report itself and the debate that has taken place so eloquently and so thoroughly that little more remains to be said on the subject.

My purpose, therefore, in continuing the debate today is to deal with one or two misconceptions that have arisen in the public mind, and particularly to focus attention on the committee's main recommendation, the guaranteed annual income, about which there appears to be some confusion.

One of the commonest reactions to the report is that the answer to poverty is jobs and more jobs. In this reaction there are two implied criticisms. One is that the Senate committee has rejected the policy of economic growth as an answer to poverty. The other implied criticism is that by focusing on the guaranteed annual income as their main recommendation, the committee has not only downgraded the importance of working for a living but has also lessened the will to hunt for jobs, while at the same time favouring handouts and the expansion of the welfare state.

Of course, nothing could be further from the truth. In the Summary of Recommendations at page xvii of the report under the heading of Recommendations with respect to Economic Policies, the very first recommendation reads:

> . . . that "full employment" must be the prime objective and responsibility of government fiscal and monetary policy . . .

And this recommendation is emphasized and implied over and over again throughout the text.

This recommendation for full employment is reinforced by four other recommendations, namely:

2. That "equal pay for equal work" legislation be passed and enforced by all levels of government for both the public and the private sector.

3. That easier access to labour unions for workers, particularly those in low-wage industries, be encouraged and facilitated.

4. That prohibitions against discrimination in hiring be enforced.

5. That job development, particularly of para-professional careers, be vigorously pursued.

• (1500)

Furthermore, in discussing the cost of the guaranteed annual income, the committee takes pains to emphasize that the policy of full employment is essential because it is obvious that the more jobs we create through economic growth, the less will be the cost of the guaranteed annual income and the better the economy will be able to support the expenditure.

It should be clear, therefore, to everyone that the committee is solidly in favour of economic growth—the more the better—but in the course of its investigations which

the committee pursued with an open mind, we became aware of three significant facts. The first one was that even with maximum economic growth there was a possibility that there would still not be sufficient jobs for everyone willing and able to work.

The second one was that economic growth is not, and I repeat not, an answer to poverty. This is probably where the confusion arises, because it is so firmly fixed in the public mind that the more jobs we create the less poverty we will have. That, honourable senators, is a myth and it is one that we should do everything in our power to eradicate.

We only have to examine the figures for the 1960s, which was a period of more than average economic growth in Canada. During that very period of high economic growth and so-called full employment, poverty actually increased at the same time and it increased most in those very areas where economic growth was highest. That is a paradox but it is nevertheless a fact, and we only have to look at the 600,000 working poor to realize that for them jobs are not an answer to poverty.

The committee report in its introduction on page xxix refers to this paradox in these words, and I quote:

> It has also been a comforting assumption that continued economic growth would go some distance toward reducing poverty. But this has not been the case. As J. K. Galbraith once noted:
>
> > There must be no doubt that the means of rescuing the victims of chronic poverty or their children—investment to conserve and to develop resources, assistance in relocation of workers, assistance to new industries, vastly improved education, training and retraining, medical and mental care, youth employment, counselling, urban recreational facilities, housing, slum abatement, and the assurance of full civil equality—will require public effort and public funds. Poverty can be made to disappear. It won't be accomplished simply by stepping up the growth rate any more than it will be accomplished by incantation or ritualistic washing of the feet. Growth is only for those who can take advantage of it.

The third fact that the committee discovered was that in many cases poverty was the result of the way in which our economy operates. In other words, we know now that poverty is a by-product of our economy just as is air and water pollution and other undesirable results. It should be evident, therefore, that economic growth by itself will never eliminate poverty.

I come now to the guaranteed annual income, which Senator Thompson emphasized is the main thrust of the committee's report and for that reason may have overshadowed some of the other important and essential recommendations.

The concept of a guaranteed annual income as a matter of right is not a new idea. It goes back to 1795, 177 years ago when in Speenhamland, England, the magistrates decided to subsidize wages in accordance with a scale dependent upon the price of bread, so that a minimum standard of living would be guaranteed to everyone, irrespective of their earnings.

[Hon. Mr. Carter.]

Over 20 years ago the Latimore Report in the U.S.A. referred to the guaranteed income concept in these words, and I quote:

> The guarantee of wages is not a panacea but a tool which becomes sharper, not duller, with wide and intensive use. To mistake the tool for the end product will blunt the tool and spoil the product. And to suppose that a single goal—be it a guaranteed wage, a public works, or any other device—can become a multi-purpose instrument by which all the ills of the economy are going to be remedied can only lead to confusion and failure. The guaranteed wage, used with care, with full recognition of its limitations, and with eyes open to the dangers in exceeding those limitations, can become an integral part of a foundation program for greater security, for harmonious industrial relations and for more lasting prosperity.

The committee's main recommendation of a guaranteed annual income has been generally well received throughout Canada. From coast to coast press comment, church groups and various organizations have endorsed the guaranteed annual income as a viable means of coming to grips with the problem of poverty in Canada.

I have in my hand a release from the Family Service Association of Metropolitan Toronto. I should like to place this on the record because it is typical of statements and resolutions made by so many other organizations. It is headed, "Review of the Report of the Special Senate Committee on Poverty," and reads, in part, as follows:

> The Family Service Association of Metropolitan Toronto, because of its intimate contact with many families in financial need, has a particular interest in the recent report of the Special Senate Committee on Poverty. This report has been carefully studied by the Social Action Committee on this association, and the following statement, approved by the board of directors, is offered as an expression of our views with respect to the provincial findings and recommendations. For convenience these views are grouped under three headings: Endorsements, Reservations, Proposals for Action.

Then, under the heading of "Endorsements," which is all I intend to quote verbatim, the release goes on to say:

> The association wishes first to record its appreciation of the work of the Senate committee and its substantial agreement with the thrust of its main proposals. Now, recognizing and regretting the compromises that the committee found it necessary to make between the implications of its findings and what seemed politically expedient to recommend by way of resolutions, we believe that the report has a comprehensiveness and authenticity to stand as an undeniable challenge to all Canadians. We particularly endorse the following from among the many significant features of the report:
>
> (1) The genuine and intensive effort to look at the realities of poverty in Canada, and especially to consider the views of the poor themselves.

• (1510)

> (2) The analysis it contains of the nature, and although less thoroughly, the causes of poverty

which makes it clear that poverty is the result mainly of social and economic conditions rather than the personal inadequacy of the poor or their unwillingness to contribute to society.

(3) The fact that the poverty line developed by the committee is more realistic and humane than those developed in earlier enquiries.

Perhaps I should add here, for the benefit of those who may not have been able to study the report, that the poverty line developed by the Senate committee has three distinct advantages over previous poverty lines. The first is that previous poverty lines became obsolete within two or three years. The Senate poverty line does not. It is always up to date.

The second is that the Senate poverty line makes provisions for families of every size. Previous poverty lines made no provisions for families of five and over.

Thirdly, the Senate poverty line is designed to keep pace with economic growth, so that it keeps pace with the standard of living as well as with the cost of living.

To continue reading from the review, under the heading "Endorsements":

(4) The concern for the working poor who comprise such a large percentage of the poverty group.

(5) The scope of the committee's proposals which embrace the need of the poor not only for income but also for a variety of social utilities—housing, health care, legal aid, day care—and for readier access to education, manpower training and employment opportunities.

(6) The emphasis placed on the guaranteed annual income approach as a means of reducing the stigma and humiliation associated with the use of needs tested welfare programs.

(7) The enrichment of the full employment debate by the constructive suggestions regarding avenues of job creation that can and should be developed within the public sector.

(8) The proposal to make personal bankruptcy more readily available to the over-committed consumer debtor.

(9) The proposal for a Council for Applied Social Research and especially its mandate to "be responsible for comprehensive human resource development."

The review then goes on to express a number of reservations concerning what they consider to be major weaknesses in the guaranteed annual income proposal. In particular, they express reservations about the low level of benefits offered, the exclusion of non-citizen residents and single unattached persons under forty, the shift from universal to selective programs and the fear that the poverty line itself would tend to become an income ceiling rather than an income floor for many persons.

These are all valid reservations with which I personally can fully sympathize, and I think this is true of most if not all of the other members as well. But the committee felt that its recommendations had to be credible, and to be credible they had to be sufficiently realistic that their costs would be within the capacity of the Canadian economy to support.

I am sure the whole committee would have preferred to start payments at the poverty line level instead of at 70 per cent of the level, but the cost would have been prohibitive. Nevertheless, 70 per cent is a great improvement on what they are now receiving. Here I should point out that the new ceiling of $3,420 a year for a married couple, announced by the Honourable John Turner, Minister of Finance, in his budget on May 8, is very close to the $3,570 poverty line payment established by the Senate Committee on Poverty. But the $1,800 for the single person is still $340 below the poverty level for 1969.

This is a very important step forward, nevertheless, because the latest statistics available from Statistics Canada for the year 1969 show that of all Canadians age 65 and over, 6.7 per cent had annual incomes of less than $1,000; 37.4 per cent had incomes between $1,000 and $1,499; 18.2 per cent had incomes between $1,500 and $1,999; while another 10.8 per cent had incomes between $2,000 and $2,499. For families where the male head or the female head was age 65 or over, 9 per cent received incomes of less than $1,000; 8 per cent received incomes between $1,000 and $1,999; and 24.15 per cent received incomes between $2,000 and $2,999. In other words, in 1969, 73 per cent of all single persons over 65, and 41 per cent of heads of families over 65 had incomes of less than $3,000.

I am equally certain that the whole committee would have preferred to recommend a work incentive of 50 per cent instead of 30 per cent. In fact, that was our original recommendation, but here again the cost turned out to be prohibitive, and research projects carried out in the United States disclosed that as long as the incentive factor was there, the amount of the incentive above 30 per cent was not too significant a factor.

You will have noted from the review I quoted that the Family Service Association of Metropolitan Toronto has made a clear distinction between the principle of a guaranteed annual income, which they heartily endorse, and the method by which the principle is implemented, about which they have some reservations. Other individuals and organizations have not been able to make this clear distinction, and this has given rise to some confusion in the public mind.

Once the guaranteed annual income is accepted in principle, there are several ways of implementing it. The Family Service Association of Metropolitan Toronto clearly prefers a universal program over the selective program recommended by the committee. In other words, they would prefer a demogrant method with the benefits recovered through the tax structure from those who do not need them. The committee was aware that the demogrant method does have some advantages, but under our present tax structure it has one very great disadvantage in that it would be much more costly because the guaranteed annual income would be paid to everyone regardless of need, and you could collect back only that part of it represented by the marginal tax rate of the taxpayer. If the taxpayer's marginal rate is 30 per cent, then only 30 per cent of the guaranteed income would be collected back in taxes. Very few taxpayers have a marginal rate of over 50 per cent, which means that not more than 50 per

cent would be collected back in taxes from even the most wealthy taxpayers.

• (1520)

When you compare that with selective programs which are geared to about 25 per cent of the population, then it becomes evident that a universal demogrant would cost several times as much as the selective program—far beyond what our present economy could possibly afford.

On the other hand, to recover benefits fully from those who do not need them would require a radical change in our present tax structure, and the complexities involved in recovering the benefits would add considerably to the cost of administration. The committee's terms of reference were simply to investigate and report upon all aspects of poverty in Canada and to make recommendations within the existing tax structure. The committee certainly had no mandate to devise a new tax structure for Canada, particularly since the government had already announced its own policy of tax reform.

After pondering the various alternatives, the committee decided to recommend the negative income tax method. Incidentally, it is possible to devise a universal program under the negative income tax method based on income tax exemptions or the unused part of the income tax exemption.

Suppose, for example, a family in a given year has a total of $3,000 worth of unused exemptions and an earned income of $2,000. Under this system the family would receive a payment of all or a portion of the $1,000 difference. This is the system favoured by Dr. Milton Freedman of Chicago University and which has been incorporated into the platform of Senator McGovern, the leading Democratic candidate for the presidency of the United States.

Under the rate of exemptions in force at the time the report was compiled, the total exemption for a family of four was still less than $3,500; that is, below 70 per cent of the poverty line as recommended by the committee. The great disadvantage of a scheme based on exemptions is that it is not geared to a definite poverty line and therefore the payments become obsolete within a few years.

Our new scale of tax exemptions which went into effect at the beginning of this year is $1,500 for a man, $1,350 for his wife, $550 for a child over sixteen, and $300 for a child under sixteen. Thus, a family of four including one child under sixteen and one over sixteen would have a total exemption of $3,700, which is $200 more than under the plan recommended by the committee. However, the $2,850 exemption for a man and wife is still considerably below the $3,420 a year which is the new combined rate of old age security plus the guaranteed income supplement for a married couple.

Any selective program must of necessity have an eligibility test, but the test required by the negative income tax method does not involve any demeaning means test. It simply requires an income tax return which every citizen has to make and this method is already in use with respect to the guaranteed income supplement to the old age pension. After considering all possible alternatives, the committee recommended the negative income tax method, because being selective it has the lowest cost, it is easy and cheap to administer, and the disincentive is likely to be less than with universal demogrants. However, as pointed out in the Latimore Report to which I referred earlier, the guaranteed annual income is not a panacea but a tool which becomes sharper, not duller, with wide and intensive use.

The plan put forward by the Senate Committee on Poverty was intended to be a starting point which, it was hoped, would be refined and improved with experience. No one claims that it is perfect, but those who condemn it have the obligation to produce something which is better and still within the limits of what the Canadian economy can support.

On motion of Hon. Mr. Carter, for Hon. Mr. Croll, debate adjourned.

The Senate adjourned until Monday, June 26 at 2 p.m.

THE SENATE

Monday, June 26, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

APPROPRIATION BILL NO. 3, 1972

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-221, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Léopold Langlois: With leave of the Senate, now.

Honourable senators, on March 29 last, approval was given for the first interim supply bill for the fiscal year 1972-73. The bill, Appropriation Act No. 2, 1972, was based on the 1972-73 Estimates and provided for the expenditures for the months of April, May and June, in the amount of $2,399,125,993.20.

These Estimates were tabled in the Senate on February 24, 1972. The Estimates on which the bill was based were referred to the Standing Senate Committee on National Finance on February 24, 1972. These Estimates were discussed in committee with Treasury Board officials on June 20, and reported on by the committee on June 20.

The 1972-73 Estimates total $16,539,080,169, consisting of budgetary expenditures of $15,749,301,169 and loans, investments and advances of $789,779,000. The bill now before us provides for full supply for the balance of the 1972-73 Estimates.

As honourable senators will recall, there was a previous Appropriation Act, Appropriation Act No. 1, which covered Supplementary Estimates (B) for 1971-72. The present bill when passed will provide full supply for the balance of the main Estimates and will be known as Appropriation Act No. 3. This bill is in the ordinary form of similar bills passed in previous years and no additional voting authority is requested in it.

I submit this bill for the consideration of the house.

Hon. Allister Grosart: Honourable senators, I think a very short comment would be in order at this time in view of the fact that we had a rather full discussion of the report of the Standing Senate Committee on National Finance concerning the Estimates on which this request for full supply for the balance of the year is based. First I wish to congratulate the sponsor of the bill on his usual clarity—

Hon. Mr. Flynn: Simplicity.

Hon. Mr. Grosart: —and in this particular case his unusual brevity in presenting this bill.

Hon. Mr. Flynn: That has no relation to the amount involved, I can assure you.

Hon. Mr. Grosart: There is certainly no brevity in the total amount involved, as the Leader of the Opposition says. I noticed in the weekend newspapers some comment on the statement which appeared in a Canadian Press article to the effect that the Senate had passed the Estimates last Wednesday without debate. This is not true. I am not one who complains very often about press treatment, because I have always taken the view that politicians and legislatures usually get from the press the treatment they deserve. However, in this case, it was undeserved.

• (1410)

The statement was repeated in a subsequent Canadian Press series tagged on at the end. It is not true to say that we passed the Estimates on Wednesday, because we discussed them at some length on Thursday, particularly in connection with the comments made by the Leader of the Government, who seemed to interpret my remarks as criticism.

We had quite a full discussion. I hasten to say to him now that on reflection I was rather surprised that he interpreted my remarks as a complaint—that was the word he used—and as a reflection on the government. If that is so, I can only say that I was merely giving the facts, and the amounts are very extraordinary.

I should like to ask the sponsor of the bill why it has been found necessary to ask us to vote full supply for the year. It seems to me that on other occasions the practice has been to vote 11 months' supply, leaving the last month's supply open and subject to later discussion. The figure of $16.5 billion which we are given here as being the projected expenditure on budgetary items and loans, investments and advances, is probably lower than what might be the final figure.

I pointed out on a previous occasion that it was an unrealistic figure if we are speaking about total federal government expenditures, which are much higher than the $16.5 billion referred to by the sponsor of the bill.

Perhaps there is a reason for this. Perhaps it has not always been customary to withhold a month's supply. However, I think it is a useful practice, because as time goes on we will no doubt be faced with supplementary Estimates and further requests beyond the $16.5 billion. Perhaps the sponsor of Appropriation Bill No. 3 now before us would indicate if he has any information on forthcoming supplementaries?

Hon. Mr. Langlois: If there are any further questions to be asked, I will answer them together.

Hon. Mr. Beaubien: Honourable senators, I move the adjournment of the debate.

Hon. Mr. Flynn: That will give the sponsor time to provide a proper answer.

On motion of Hon. Mr. Beaubien, debate adjourned.

ADULT OCCUPATIONAL TRAINING ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-195, to amend the Adult Occupational Training Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. A. Hamilton McDonald moved, with leave of the Senate, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-204, to amend the Canadian Wheat Board Act.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Hazen Argue: Honourable senators, with leave of the Senate, I move that this bill be read the second time now.

Hon. Mr. Flynn: Leave is granted with pleasure to the honourable Senator Argue.

Hon. Mr. Argue: Honourable senators, this bill comes to us from the House of Commons with the support of all parties in that house. It was presented in a somewhat different form in the last session as Bill C-238. At that time the original bill contained a provision for the possibility of placing rye, flax and rapeseed under the operations of the Canadian Wheat Board. The Honourable Otto Lang, the minister in charge of the Canadian Wheat Board, made it clear that it was not the intention of the government to place rye, flax and rapeseed under the Canadian Wheat Board unless in so doing it had the support of a majority of the producers. However, there was a good deal of apprehension and a good deal of opposition even to the possibility of this being done, so the clause which would have allowed rye, flax and rapeseed to be placed under the board was removed, and the present legislation, Bill C-204, is now before us in this somewhat amended form and after passage by the House of Commons.

I presume that honourable senators will agree to have this bill sent to the Standing Senate Committee on Agriculture for further study and further consideration.

Hon. Mr. Flynn: We will have to try that committee, anyway.

Hon. Mr. Argue: I have no doubt in my mind, in spite of the fact that the chairman of that committee may not be as efficient or as well versed in the rules as he should, that the high-powered personnel of that committee will make sure that it does a competent job.

Hon. Mr. Flynn: I will go to the committee meeting if Senator Martin goes.

Hon. Mr. Argue: I want to inform Senator Flynn that Senator Martin was at the initial meeting. When I was asked by the press whether I thought the leaders of the parties in the Senate would be attending committee meetings, I expressed confidence that they would be at least as active as the average member of that committee; in other words, that they would be fully active members.

Hon. Mr. Flynn: I am quite confident that I know as much about agriculture as Senator Martin.

Hon. Mr. Argue: If you do, you know a great deal. As Senator Flynn would agree, there was no one in the other place in years gone by who could make a more forceful speech on agriculture than Senator Martin when he was the Opposition critic.

• (1420)

Hon. Mr. Flynn: Without knowing what he was saying.

Hon. Mr. Argue: His speeches were well received at the time and should have been acted on even earlier than they were.

Hon. Mr. Flynn: You should see the smile on Senator McIlraith's face when you say that.

Hon. Mr. Argue: Senator McIlraith is himself well versed in agricultural matters.

I am very pleased that the Senate has given support to the setting up of this committee. I am particularly pleased that it has the support of the Leader of the Government and the Leader of the Opposition. I know that the farm organizations are happy this has been done, and I would hope that it may be useful to agriculture and to Canada in the days ahead.

This bill received full support in the other place and is a very important bill with important provisions. There are five main reasons for amending the act. First, revision of the quota system was extensive following the Boden Committee's Report, and it has been found necessary to redefine the quota delivery base in line with the assignable acreage feature in the new delivery quota system.

Secondly, revision of the Canada Grain Act, in particular the changes allowing for the introduction of a protein grading system for wheat, requires that the sections in the present Canadian Wheat Board Act be revised to take into account these changes in so far as they relate to the methods of making initial payments to producers.

Thirdly, with the introduction of preceding announcements of minimum quota levels for an ensuing crop year, it has become necessary to make allowance for those years in which the minimum quota levels may not be achieved, and hence it may be necessary to allow farmers to deliver the balance of the announced quota levels after the crop year has ended.

Fourthly, as barley exports increase, an increasing amount of barley is being shipped out of the west coast. Presently the greater volume goes out through Thunder Bay, and initial payments are based in-store Thunder Bay. This means that Alberta barley, for example, bears

the freight cost to Thunder Bay, even though some of it may move out of Vancouver, for which the freight is lower. The change in this section of the act relating to the purchasing base for feed grain will make it more flexible, and will enable the purchasing base to be changed should the level of Alberta barley moving out of the west coast render this desirable.

Fifthly, experience with the enforcement of the act has shown a weakness in terms of the penalties which may be imposed by the courts for breaches of the act. This has resulted in nominal penalties being handed down by the courts on numerous occasions, sometimes fines of $1 for infractions.

These amendments are far reaching. The definition of "quota" has been extended to include a definition of the acreage base that may be laid down by the board from time to time as the basis for making grain delivery. This takes into account the revised quota system whereby a producer may assign a number of specified acres to the delivery of a particular grain. Previous deliveries for wheat, oats and barley were made on a total specified acreage basis without any assignable feature; that is, the total could not be redistributed by producer option to the delivery of any particular grain. Deliveries of other grains were restricted to seeded acreage for each grain as declared in the permit book. The assignable feature lends much greater flexibility and specificity to the producers in their planning of grain deliveries.

Up until now, when a producer has applied for a permit he has listed a specified acreage which, in the main, is cultivated and is the basis for quotas for wheat, oats and barley. Particular crops like malting barley or flax have had their quotas based, perhaps, on the seeded acres or extra cars for delivery, or on some other basis.

Now, by means of assignable acres, if a producer has a quota of, say, 1,000 acres and a great deal of wheat on hand, even though he may have large acreages in barley and oats, he may, according to the system, decide to ignore the acreage he has placed in oats and barley and assign all his acreage to wheat. He would do this because he has a surplus of wheat and it is important for him to sell wheat.

This allows a farmer a greater flexibility in the marketing of his grain and to take the initiative himself—at least, in this degree—to decide what his quota base will be, what his marketing opportunities will be, in relation to the grain he has on hand for delivery.

The powers of the board to fix delivery quotas for each kind of grain from time to time are extended actually to specifying the individual grades and the quantity of each grade the board will accept. This amendment is designed to enable the board to react to specific market demands, and thus avoid clogging of the marketing pipeline with kinds of grain which are not necessarily in the immediate market demand. Not only can the board decide, shall we say, that there should be an additional five bushel quota for Durum wheat, but it can decide that it shall be for grades 3 and 4 Durum, which are in demand at that time.

So this new system will allow the board itself a great deal of flexibility in ordering the kind of grain that is in demand from the country elevator system and in turn from the producers themselves.

A major change in the bill is the amendment laying down the basis for initial payments for wheat. Initial payments will now be made in respect of a base grade to be prescribed by order in council rather than in relation to No. 1 Manitoba Northern, which has been the case heretofore.

In fixing the initial payment for the base grade each year, the government will take cognizance of the introduction of protein grading. This will mean that the base grade used to set the scale of initial payments may not necessarily be the same grade in each crop year but will depend upon crop conditions and the world marketing situation with reference to the demand for specific levels of protein. Amendments in this area will also enable the Governor in Council or the board to determine the initial and final payments with respect to specific grades of wheat, so as to reflect the quality within a grade, that is, the protein levels, and to adjust the final payments on such wheat so that producers may receive the premium consequent upon the demand for a particular quality of wheat.

We have all known that Canada produces high grade wheat, and a large factor in high grade wheat is high protein. But there has not been a factor for protein used in the grading, so there was some unfairness in that producers of No. 1 wheat, for example, did not always have the same protein but always received the same return.

It perhaps had another disadvantage. Senator McNamara, who is a great expert in this field and has had long years of experience in the selling of grain, would agree, I believe, when I say that customers are interested in the level of protein in particular purchases and that it will be a helpful factor for the Canadian Wheat Board to have the protein factor considered in the base grades themselves. Moreover, from the producers' standpoint, at least at a particular marketing point, some recognition will be given to the producers of high protein wheat.

• (1430)

Where pre-seeding minimum quota levels announced by government are not achieved in a particular crop year, it will now be possible for producers under these circumstances to deliver the balance of the announced quota levels in the ensuing crop year at the initial payment levels fixed for the previous crop year. Presently, the terms of the act do not allow two different levels of initial payments to be made in the same crop year for a particular grade of grain. It has happened in the past that, at the end of July, if some producers have not been able to market their grain because of full elevators or an elevator system unable to take delivery of the grain, in many instances the quota has been lost. However, if the quota was extended, then the question arose whether that wheat should be credited to the next year's pooling account or to the pooling account for the year in which it should have been marketed.

This amendment makes it clear that, if at a given marketing point on July 31 there is not room to accept all the deliveries based on the present quotas, the board can decide to extend the crop year for another couple of weeks. For example, the wheat being marketed in that extended crop year will be considered for bookkeeping

purposes—for all purposes—the same as though it had in fact been delivered by July 31.

In the past, farmers who were allowed to market their grain in the new crop year because they had been unable to market certain quotas in the previous year were happy to obtain that privilege. But, in those circumstances they had to take the next year's price, and when the next year's price was lower, naturally, they resented the fact that they were not given a chance to get the same price for wheat as other producers who were at marketing points more favourably situated so far as boxcars and the hauling out of grain to terminals were concerned.

This welcome provision merely makes it possible to provide justice to the farmers and to keep the accounting system in such a way that producers who deliver grain against quotas for any one crop year will receive the same final payments.

Hon. Mr. Lang: I wonder if I may ask my friend a question? I was interested in knowing what the farmers' reactions would be with respect to the undeliverable grain when the next year's crop prices were higher.

Hon. Mr. Argue: The farmers believe that it should be considered within the crop year and they are willing to take their chances on whether it is higher or lower. They feel that justice will be served if the quota has to be extended into the next crop year. As it happened in the past, sometimes when it was extended the price was obviously going to be lower, and there was resentment. In other words, I think the farmers are willing to accept this amendment because it means that when one farmer markets his grain on a given quota on July 31 and another markets his on August 7, one week later, the two farmers will receive exactly the same final payment. There will be no complaint at all.

Another amendment will enable the initial payment for oats and barley to be fixed basis-in-store, Thunder Bay or Vancouver, or only Thunder Bay or only Vancouver. The idea of this is to give Alberta farmers, who may be producing a lot of barley going into the Vancouver market, the advantage of the fact that they are situated close to the Vancouver market and not penalize them as at present with the prices based on in-store Fort William-Port Arthur.

Minimum penalties have been established for infractions of the act in the case of producers and elevator operators. Previously such fines were left completely to the determination of the courts and frequently resulted in minimal fines of sums not exceeding, for example, $1 being imposed, which in effect nullified the penalty clauses of the act as they presently operate. With respect to contraventions of the act, there is a further amendment whereby the board will now have the power, when a producer does not wish to go to court, to reduce delivery privileges if it has evidence that particular individuals have been in breach of the delivery regulations.

I am not a lawyer and I cannot really give a legal opinion on this, but as I read it it will provide that if there is an infraction of the law and a producer is taken to court, the minimum fine must be $50 or one third of the value of the amount of his overdelivery; that is, one third of the value of the money he gained by making an infraction, whichever is the greater. However, it is provided that the board may deal directly with producers, and may levy a penalty by reducing his future delivery privileges if a producer does not question or challenge the infraction in the courts.

There are some pretty good lawyers in the House of Commons, and I did not read of any particular objection to these proposals. I can say that having looked at the evidence in the Agriculture Committee of the House of Commons, and having considered the representations made by the various farm organizations and knowing from the attitudes of producers and farm organizations that while there may be a difference of opinion as to whether or not rye, flax and rapeseed should be placed under the board now, there is no objection to the amendments proposed in this bill, and in fact there is complete support for them. I should think that if at some future date there is an indication by a majority of producers that they would wish rapeseed, for example, to be brought under the Canadian Wheat Board, and if an appropriate amendment were brought in, such amendment would receive general support.

With that explanation, honourable senators, I am happy to move second reading of this bill.

On motion of Hon. Mr. Macdonald, for Hon. Mr. Haig, debate adjourned.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copies of a contract between the Government of Canada and the Town of Raymond, Alberta, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Convention for the Suppression of Unlawful Seizure of Aircraft. Signed at The Hague December 16, 1970.

Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation. Done at Montreal September 23, 1971.

Report on the administration of the Canada Assistance Plan for the fiscal year ended March 31, 1970, pursuant to section 19, chapter C-1, R.S.C., 1970.

Text of Canadian proposals accepted unanimously at a Plenary Session of the United Nations Conference on the Human Environment, together with text of introductory statement by the Canadian Minister of the Environment to the said Conference, held in Stockholm from 5th to 16th June 1972.

Report on the operation of the Regional Development Incentives Act and on "Special Areas" incentives for the month of May 1972, pursuant to section 16 of the said act, chapter R-3, R.S.C., 1970.

Report of the National Harbours Board, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to section 32 of the National Harbours Board Act, chapter N-8, and sections 75(3) and 77(3) of

the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report on the administration of the Canadian Forces Superannuation Act for the fiscal year ended March 31, 1972, pursuant to section 28 of the said act, chapter C-9, R.S.C., 1970.

Report on the administration of the Canadian Forces Superannuation Act, Part II, including amounts credited to or charged against the Regular Force Death Benefit Account, pursuant to section 41 of the said act, chapter C-9, R.S.C., 1970.

Statement by the Department of National Defence of moneys received and disbursed in the Special Account (Replacement of Materiel) for the fiscal year ended March 31, 1972, pursuant to section 11(4) of the National Defence Act, chapter N-4, R.S.C., 1970.

• (1440)

CANADIAN WHEAT BOARD

COMMITTEE ON AGRICULTURE AUTHORIZED TO STUDY REPORT

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(e):

That the Standing Senate Committee on Agriculture be authorized to examine and report upon the Report of the Canadian Wheat Board for the crop year ended July 31, 1971, tabled in the Senate on Tuesday, 25th April, 1972.

He said: Honourable senators, there are a few remarks I should like to make before this motion is put to the house. Upon examining the report of the Canadian Wheat Board for the crop year 1971-72, which is referred to in the motion, some very interesting facts come to light. At the end of the report there is a table which I think indicates the wisdom of this chamber in setting up a Standing Senate Committee on Agriculture. For instance, page 18 of the table section indicates what has happened to the price of wheat over the past 25 years. On the average, wheat is selling for around 16 cents a bushel less than it did 25 years ago.

A few days ago we were discussing another motion in this house concerning wages and salaries. I indicated then that I did not believe the increased productivity of this nation was equally divided among our labour force. This is, perhaps, the most glaring example of one section of the labour force which has not received anything. As a matter of fact, they are receiving less for their products today than they did 25 years ago.

On page 3 of the same section of the report I note that the production of grain has almost doubled over the same period. In the last three years of the 1940s, prairie farmers were producing around 700 million bushels of grain. That production has nearly doubled. This has occurred with fewer people employed in the industry. Every producer of cereal grains must have a permit to deliver grain to the Canadian Wheat Board. Twenty-five years ago there were around 233,000 farmers engaged in the production of cereal grains in western Canada, compared with 182,000 today. Fifty thousand fewer units are producing double the quantity of grain, and they are receiving about 16 cents a bushel less than they were 25 years ago.

Hon. Mr. Flynn: You are speaking collectively and not individually.

Hon. Mr. McDonald: Yes, collectively.

Hon. Mr. Flynn: But each individual may be receiving a greater amount if there is only a difference of 16 cents a bushel.

Hon. Mr. McDonald: No, it would indicate that collectively they are producing double the amount of grain, but individually they are receiving 16 cents a bushel less.

Hon. Mr. Flynn: That point was not clear.

Hon. Mr. Burchill: Are you speaking about all types of grain?

Hon. Mr. McDonald: I am referring to wheat. The same thing would hold true with respect to oats and barley. Flax and rapeseed fluctuate more than do grains which come under the Canadian Wheat Board.

The message I am endeavouring to get across is that many people outside the Prairie region look at western Canadian farmers when they happen to meet them in Toronto or Montreal—the odd one even makes it to Florida, Texas or California during the winter—and they think they have money sticking out their ears. There is no segment of Canadian society which has made a greater effort to increase productivity and which has received less for it. In my humble opinion, if the three sets of figures which have been referred to today are true, we are facing a tremendous problem. And I would wager this year's indemnity that in 20 years from now western Canadian farmers will be producing double what they are producing today—some 2½ billion bushels of grain. Surely they will not have to do this and face another cut of 15 cents to 20 cents over the same period of time. When we begin producing in excess of 2 billion bushels per year there will be fewer farmers in the business. There is no segment of our society which has made a greater effort, and has been successful, in modernizing its activities. No industry in Canada can compare with the modernization and efficiency which has taken place in western Canadian agriculture. They are receiving little credit for it.

In the last few years, as the bill which Senator Argue introduced today indicates, consideration has finally been given to one of the most productive industries in this country. I hope that the Standing Senate Committee on Agriculture can make more progress in the future than we have in the past.

Motion agreed to.

• (1450)

POVERTY

REPORT OF SPECIAL COMMITTEE—DEBATE CONCLUDED

The Senate resumed from Thursday, June 22, the adjourned debate on the inquiry of Hon. Mr. Croll, calling the attention of the Senate to the Report of the Special Committee of the Senate on Poverty in Canada, tabled in the Senate on Wednesday, November 10, 1971.

Hon. David A. Croll: Honourable senators—

The Hon. the Speaker: I must remind honourable senators that we are resuming the debate on an inquiry in

which the honourable Senator Croll has already spoken. It is Item No. 1, the report of the Special Senate Committee on Poverty.

Is it agreed, honourable senators, that the honourable Senator Croll may speak now?

Hon. Jacques Flynn: I have no objection, but what is the reason? I wonder why?

Hon. Mr. Croll: I was just closing it. I want to sum up, that is all.

The Hon. the Speaker: I must remind honourable senators that in order that we proceed in an orderly—

Hon. Mr. Croll: I regret this very much. I thought I had the right to close. I must look at the rules again.

The Hon. the Speaker: The honourable Senator Croll has the floor.

Hon. Mr. Croll: Honourable senators, my purpose in speaking today is just to sum up what has happened. I take you back to November 26, 1968, when the Senate of Canada constituted the Special Senate Committee on Poverty in Canada by approving the following resolution:

> That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional, or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

Here I am now, almost three and a half years later, making the final summation. In doing that I wish to extend appreciation on behalf of the committee to the staff of the committee, to the Senate staff and to the Library of Parliament, particularly, and the researchers who gave us a considerable amount of assistance. We include also those involved in the production of the report and the highlights, and those who submitted briefs and appeared before the committee. We give particular thanks to the members who participated in the debate. They made outstanding, well considered contributions, which expressed their sense of dedication. I am sure that we are all proud of their participation. It will be a long time before this country forgets their work in connection with this committee. They have attracted to themselves and to the Senate a wider and enlarged constituency and have brought about a greater measure of credibility, a commodity of which we can use much more.

There have been two printings. Twelve thousand copies of the report were printed, and there are now not very many left. Fourteen thousand copies of the highlights were printed. That is a total of 26,000. There will be a third printing very shortly. Each printing is usually on the basis of 5,000, so the total can move up to 35,000.

When the highlights were first suggested I recall that those who advised on these matters suggested that they should not be printed because the result would be that we would not sell the report. We had to print the highlights, however, because the report cost $2, and the price for the highlights was 25 cents. The result is that the highlights and the report have sold remarkably well. The report has had very wide approval, and has become a textbook at universities and other places of learning. I shall comment on that later. There has been criticism of the report—constructive criticism by concerned and knowledgeable people. There was also another kind of criticism, which did not affect us or the public.

One of the main aspects of the report was the fixing of a poverty line. That is not easy, and has been a matter in the minds of social welfare students for many, many years. Our committee recommended that it be one half of the national average of wages for a family of four, subject to the rising consumer price index and the gross national product, so that under no set of circumstances will it ever become obsolete. Those familiar with the situation will appreciate with me that this was a considerable achievement. Most of the criticism was to the effect that the 70 per cent of the poverty line which we recommended be put into effect immediately—and which is somewhat higher than the present welfare scale—was not sufficient. The 30 per cent which we recommended that those on welfare should be allowed to retain without deductions was also criticized as not high enough.

Those were fair criticisms and we agreed with them, but we were endeavouring to achieve a package deal which would appear palatable when considering the cost because, in addition to that, we said that those under 40 years of age should not become part of the scheme. We did not just leave them out in the cold merely because we did not know enough about them. They are provided for under the Canada Assistance Plan. The government is now learning a great deal concerning those people through the Local Initiatives program, which has been a tremendous success, and the Opportunities for Youth program.

The report filled a great need at universities, schools and social agencies, and among researchers. Requests for information are received almost daily, together with inquiries as to what is available by way of research on various subjects. Churches have used the information very effectively. We have been very helpful to the ministers, and they have been very helpful to the cause because there was material there for any number of sermons, and they have taken advantage of it.

A very interesting circumstance was the holding of the Nuffield Canadian Seminar on the Guaranteed Annual Income at Ste. Adèle, Quebec, in the middle of April. This was a think-tank undertaking involving 34 participants who came from Australia, New Zealand, the United Kingdom, France, Switzerland, Sweden, the United States, West Germany and Yugoslavia, as well as Canada, for the purpose of discussing a guaranteed income. This was a matter on which we had reported. It came under study and scrutiny, and a new awareness and dialogue was brought to this subject.

• (1500)

It is perhaps not very modest of me to say this—I appreciate that—but the report on poverty in this country, which was the first and only one, has become a landmark in the social welfare field. It is worthy of study by experts, and it has been studied by them.

Honourable senators will recall that the Economic Council suggested that the Senate do two things: study and report on poverty, which it did, and begin a dialogue,

and involve other people in that dialogue, which it also did.

What has happened since the report was published in November last, seven months ago? Much has happened since that time. It has all been good. There has been progress in many directions. The committee made 13 recommendations, and there has been progress in the matter of day care, legal aid, medicare—particularly dental care—housing, and in the matter of a guaranteed income, to name just a few.

The subject of a guaranteed basic income attracted the most attention. At present, the aged, the crippled, the maimed, and the female heads of families receive a guaranteed income. It is grossly inadequate by our standards, and by comparison, but nevertheless they receive it at the present time.

Those who are suffering most are the working poor, the people who work full time, part time, or any time at all, and there are about 640,000 of them in Canada. They are the ones who are most deeply wronged by the inequalities of Canadian life. They heed the copybook maxim to work hard and all will be well. Is it? For most of the working poor, the reality mocks the promise of reward. They do their best to maintain personal and family dignity. They play the game according to the rules, but when they fail to win, we say to them, "Too bad. That's the way things are."

I said there are some 640,000 working poor in this country—those who earn less than they could receive on welfare, yet stay at their jobs and work day in and day out. The picture is not exactly as I have stated, because there has grown up in this country a method of providing supplementary income. A guaranteed income is being provided for such people by the backdoor method. Some form of supplementary income is being given to the working poor of every province, more in some provinces and less in others, to stop people from going on welfare.

If the working poor raise the roof, make a lot of noise and make a nuisance of themselves, they will be given the supplementary income; otherwise they will not. That is unfortunate.

I suppose that in Alberta there must be at least 5,000 needy families receiving supplementary income, and in some of the other provinces there are less. There are some in Ottawa, and there are many in Ontario. But instead of having a plan for everyone, we are handling the matter in a haphazard, uneven, quiet sort of way. One might almost think we were hiding it from people. If we continue with the present method, we will encounter the same kind of mess that we experienced when the welfare system was first introduced.

Let me illustrate my point. At the present time a family of four in the Province of Alberta receives $360 per month. In the Province of Ontario, it receives $330 per month, and, in the Province of Nova Scotia, it receives a maximum of $175 per month. But the same family of four, living in the City of Ottawa, receives $100 more per month than a similar family living in Hull under exactly the same circumstances. That is what is happening in this country.

Family allowances are paid to such people in equal fashion, as is unemployment insurance and payments under the Canada Pension Plan. People pay taxes on a uniform basis. But when it comes to receiving assistance for the necessities of life the amounts vary, because of our present haphazard, unco-ordinated system.

Supplementary assistance is, of course, available in the larger communities. One applies for it and, under certain circumstances, one gets it. But in the less affluent communities a person may apply, but if he does so he gets it in the neck. The larger communities have the money and can pay this assistance, but the smaller communities do not have the money and people just do not receive it.

Under the Canada Assistance Plan, the basis for qualification is need, but at the present time supplementary assistance is provided on the basis of means. A means test is given, and it is just as mean as it ever was. I do not think that anyone has thought much of it at any time.

The federal government is now making some tests. In collaboration with provincial governments, it is carrying out pilot projects to study the guaranteed income. In the fiscal year 1972-73, $5 million, plus any savings to the federal government under the Canada Assistance Plan, will be provided to assist in carrying out such studies on the basis of 75:25 per cent federal-provincial sharing. These funds would be used to finance transfer payments and research on experimental projects testing the guaranteed income approach. Testing may focus on a number of objectives, such as obtaining information on the question of work incentives, family change and mobility, the economic and social impact of guaranteed income, and administrative problems related to such a program. Such information would be needed before a program could be adopted covering all people in the labour force.

The Province of Manitoba has already undertaken a study, as has the Province of Ontario. I understand a couple of other provinces will be undertaking the study very soon.

• (1510)

Hon. Mr. Martin: The Province of Alberta.

Hon. Mr. Croll: I am informed that the Province of Alberta will be.

You may well ask, "How do we assess our accomplishments to date?" I can say that by our work and by our report we have made a difference. The report is not for dust gathering. It has stimulated debate and dialogue on the topic of a guaranteed annual income which has been partially applied in a way that I hoped it would not be; I hope it will not continue.

The report has been examined by social bodies and concerned people and, in the main, the decision has been overwhelmingly that it is a meritorious report. The comments have been widespread and they have been favourable, agreeing in principle. One of the criticisms that we have had is with regard to the work ethic. It has been difficult to overcome that. In this country we have now begun a redefinition of the work ethic—the concept of work and jobs. There are lessons to be learned from the Local Initiatives program and the Opportunities for Youth program. Yet, no great changes have yet come about for the poor. To be poor one must be patient, docile and grateful—at least one must learn to simulate gratitude even if the heart is burning with silent rage.

To the poor, life is a series of controlled frustrations. We are supposed to be engaged in a war on poverty, but the only combatants seem to be the poor themselves. For them it is an economic Vietnam which makes casualties of them all. The poor have very few special pleaders. They have no lobby in Ottawa; they have no special talent for language. They are the mute deprived. Someone must speak for them in words that move the country to support their quest for a better life.

There is a fundamental difference in being poor today as compared to other times. Today's poor, unlike those of the past, know they are losers, and they know that their children are likely to be losers too. This knowledge grinds them into the dirt of despair, and the six billion dollar failure we call the welfare system does not significantly ease their poverty, let alone improve their standard of life. It is an expensive substitute for workable social action to end poverty in Canada. A world they never made rejects them. We ask again and again, "Must there be poverty in the midst of abundance?" and the answer is a resounding no. All that these people ask for is justice, and justice needs no justification.

The bitterest problem, as I indicated to you, is that of the working poor. They are losers—orphans in our own economic system, pressing their noses to the glass of Canada's social structure to see most Canadians enjoying a standard of living once beyond all our dreams. Can we remain so blind as to not understand their frustrations and mounting fury as they see their families and children denied the basic minimum share of our output of abundance?

To date we have avoided the main problem that lies at the root of the problems of the poor—that is, the provision of a job or an adequate income. As I have said on other occasions, we must abandon our quagmire of piecemeal solutions to poverty, which is our present approach.

Few parents, of course, see the shortcomings in their offspring, but I can see two stumbling blocks. The first one, of course, is the administration. That can be overcome; there is no real problem in that regard. The second one is the cost. We have to admit that there is a certain amount of guesswork as far as the cost is concerned. We estimated it at one per cent of the gross national product. However, the figures I have seen from people who have studied the cost, as suggested by the committee, indicate that we are $50 million light, which is not a bad deal at all. If we can get that close we are pretty good. When considering the matter of cost we have to ask ourselves, "Are we going to continue talking about the problem of poverty, or are we going to do something about it?" Can we continue to repeat the old refrain from year to year, "We cannot afford it"? We never missed a war because we could not afford it; we ought not to miss this war on poverty. The guaranteed annual income, coupled with a controlled progressive tax structure, would go a long way towards redistributing income by raising the income of the poor and relieving the pressure currently on the middle income families.

We have made a beginning with our report. We have shown the way. It is a report on the totality of poverty in Canada, and it is the first of its kind. At the present time, in the circumstances, there is an opportunity—and it is more than that; it is a responsibility—on the part of the poor, the near poor, and their friends to make themselves felt in the democratic fashion that is available to them at the polls. All I can advise them is that "there is power in them thar polls." There will probably be an election some time in the fall in which they ought to participate at the local level, not for the purpose of obtaining promises, but for the purpose of obtaining commitments. Thus they can find out whether the system works or not. I believe the system does work and can work, and I believe that they ought to participate in it and make themselves felt, because they are a power—a far greater power than they know—when they collectively decide on things. This is their opportunity to exercise that power.

Honourable senators, it has been an interesting study. I hope the Senate now and in times to come will realize that there have been benefits to the Senate as there have been benefits, of course, to those of us who took part in it. I believe that considerable benefit has come to the poor, and will continue to come as the people become more and more concerned and come to know what is contained in this report, which I consider is a landmark in the history of social welfare in this country.

• (1520)

The Hon. the Speaker: This item on the Order Paper is now considered as having been debated.

PUBLIC SERVANTS

IMPROPRIETY OF MAKING SPEECHES ON MATTERS OF POLICY—DEBATE CONCLUDED

The Senate resumed from Wednesday, June 21, the adjourned debate on the inquiry of honourable Senator Forsey calling the attention of the Senate to the impropriety of public servants making speeches on matters of policy.

[*Translation*]

Hon. Jacques Flynn: Honourable senators, I shall not be making a speech on the issue raised by Senator Forsey, but merely adding a kind of *post scriptum* or *nota bene*.

I agree with the principle that it is improper for public servants to make statements on political matters, primarily to promote a policy of their own. In the past, there have been resounding examples of public servants, of very senior public servants, such as the Governor of the Bank of Canada, taking the liberty of making statements on matters outside their jurisdiction, thereby creating conflicts. But it often happens that a public servant has to defend or explain the policy of his minister or of his government, and a distinction should be made here.

I was under the impression, when listening to Senator Forsey and Senator O'Leary, that they were not criticizing Mr. Carson and other public servants so much on grounds of policy as because of their statements on the subjects mentioned, that is, that there should be a policy increasing access to the public service to French-speaking Canadians. If I am right, that is quite a different matter. While some of the expressions used by Mr. Carson and Mr. Lussier may have gone too far, I feel they were speaking rather in the name of the government, that it was not really their intention to initiate a policy other than the one

the government is seeking to implement, and in this regard they should incur less blame than if they had really been promoting a policy of their own.

It happened in the past that the problem occurred in a more indirect way, when senior officials expressed their own opinions through their ministers. I think this is what happened in Lester Pearson's case when he was Under-Secretary of State for External Affairs and eventually appointed Secretary of State for External Affairs. This is probably what happened also with Mr. Pickersgill, Mr. Drury and Mr. Sharp and with many other senior officials.

I shall not mention Senator Lamontagne because he was first deputy minister in a department where at that time the political problems were less acute. Of course, when he became special assistant to the Leader of the Opposition, he unquestionably suggested some good ideas to his boss. It was mentioned the other day that one must include in a separate group those who indeed have this direct responsibility of assisting a politician, and hence the responsibilities to the public of expressing or stating policies.

So, what I wanted to say very simply, honourable senators, is that one should not use statements by Mr. Carson and Mr. Lussier to condemn a policy which invites Francophones to be better represented in the public service.

In fact, I do not feel that people necessarily go against the merit system when, as they say in English, they "bend over backwards" to see to it that the Francophone element in this country is more adequately represented in the public service.

It is undeniable that if we want Canada to last and last as a whole, considerable efforts will have to be made in that respect, as well as concessions that might at times seem exaggerated but which, over the long term, really are not. That is why I wish to record in *Hansard* this modest personal opinion, although, as I said before, in the light of the future it is very important.

The public service must represent the two linguistic elements of the country and, if we want to give the Francophones service in their own language, we may have to get away somehow from an absolute system of merit or competence; something will surely have to be done to ensure that Francophones are adequately represented and can hold positions wherever the public requires their services.

[*English*]

The Hon. the Acting Speaker (Hon. Donald Smith): If no other honourable senator desires to speak at this time, I declare this subject debated.

CANADIAN FILM DEVELOPMENT CORPORATION

MOTION TO AUTHORIZE STUDY OF ADMINISTRATION AND OPERATIONS BY HEALTH, WELFARE AND SCIENCE COMMITTEE—DEBATE CONTINUED

The Senate resumed from Thursday, June 15, the adjourned debate on the motion of honourable Senator Lapointe that the Standing Senate Committee on Health, Welfare and Science be authorized to examine and report upon the administration and operation of the Canadian Film Development Corporation.

[*Translation*]

Hon. Maurice Lamontagne: Honourable senators, I would like first to commend Senator Lapointe for having raised this question and drawn the attention of this house to such an important problem. Furthermore, I wish that Senator Lapointe will continue to have a deep interest in the cultural matters and cultural policy of this country, for I have realized that there are not many in this house who have the time or interest to keep abreast of that important aspect of federal policy, also that important aspect of life in Canada. As I have been directly involved as Secretary of State in the assistance program to the film industry, I would like to take this opportunity to give you a brief historic outline of it.

The preparation of the project dates back to 1964. We had then realized that the private film industry was very weak in Canada. Feature films, which were presented to the Canadian public, came almost exclusively from outside, while we were demanding from our telecasters more programs of Canadian origin. That situation was not to the benefit of our cultural life; it was not healthy either from an economic standpoint, for good commercial films can positively contribute to employment, national revenue and our international balance of payments.

Our private film industry had made heroic efforts to become viable, but at that time it was still in a very difficult position. According to experts, this was not due to a lack of artists and technicians; the reputation which the National Film Board had acquired in the world was an obvious indication of our potential in this field. The great difficulty with which this industry met was financial. Our situation was not unique in the world. Most other countries, including Great Britain and France, had had to face the same problem and had offered their government's assistance, a thing which Canada had not done yet.

At the beginning of 1964, the federal government asked an interdepartmental committee chaired by the Film Commissioner, Mr. Guy Roberge, to consider this matter. I received the first report a few months later, and on August 5, 1964, I announced in Montreal that the government intended to create a loan fund.

Nevertheless, I later asked the interdepartmental committee to study in more detail the problems inherent in this industry, and particularly the matter of distribution within the country as well as abroad. The committee went to work. Two outside experts, Dr. O. J. Firestone and Mr. Fernand Cadieux, were hired and two government advisers, Messrs. Spencer and Côté, were invited to prepare special studies on various aspects of the film industry and on the steps taken in other countries to support it.

The committee considered those special studies and drafted a second report which was presented to me in August 1965. Taking into consideration the recommendations set out in this report, the government then came to the conclusion that the creation of a Canadian film industry would contribute a great deal to making Canada known to Canadians themselves, as well as abroad. Such initiative would also allow our film producers, authors,

composers, artists, and technicians to take a great part in the cultural development of this country.

• (1530)

[*English*]

For these reasons, I announced in Toronto on October 13, 1965, that the government intended to establish a Crown corporation with an initial capital of $10 million, to assist the Canadian private film industry in the production of feature films of commercial value and good quality. I said that the corporation would be empowered to make agreements with private producers, under which it would make loans or investments without, however, becoming a legal partner in these undertakings. In addition, the corporation would also be able to make significant financial awards to Canadian films judged to be of high quality by appropriate juries. It would provide aid in the creative, technical and administrative sides of film production. It would be expected from time to time, and in the light of its own experience, to advise the government on various other means of helping the industry.

In addition, an advisory board—representative of the producers' associations, the film-makers' associations, the unions associated with the film industry, the exhibitors, and distributors—would be set up to maintain liaison and co-operation with the industry, the corporation, and the government.

The corporation, and the producers which it would assist, would be expected to work with and through established distributors to arrange for the widest possible distribution of the films in Canada and abroad. We did not intend to put special restrictions on imports of foreign films, but we expected that Canadian films would be treated fairly—both at the initial stage of financing and at the final stage of distribution—by Canadian and foreign distributors. Some countries had decided to impose import controls to protect their industries in their domestic markets. We preferred at first to try to get a reasonable share of the domestic and foreign markets through measures of encouragement and international co-operation rather than through measures of restriction and control.

As a result of this co-operation and joint ventures, which we hoped would develop not only with American but also with French, British and other producers, we expected that Canadian films would have free access to foreign markets, just as foreign films had to the Canadian market.

This was the broad outline of the film policy which the federal government intended to implement in 1965. I added in my statement that we expected such a policy to achieve satisfactory results in the next five years, and that we would be reviewing the progress made and the effectiveness of that policy from time to time.

Such was the background of the plan to offer public assistance to the private film industry in Canada. I thought that honourable senators would like to know how the new policy was developed in its preliminary stage. Subsequent developments—including the legislation which was approved by Parliament in 1967—have been described by Senator Lapointe, and are part of the official record. I fully concur with Senator Lapointe that the time has come, after five years of operation, to review this program very carefully, and I strongly support the motion which is now before us.

Hon. Mr. McDonald: I would ask leave to move the adjournment of the debate.

Hon. Mr. Flynn: Or ask when the committee is going to start?

On motion of Hon. Mr. McDonald, debate adjourned.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Tuesday, June 27, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

AIR TRANSPORT

CONVENTIONS ON UNLAWFUL SEIZURE OF AIRCRAFT AND UNLAWFUL ACTS AGAINST CIVIL AVIATION—DEBATE ADJOURNED

Hon. Paul Martin rose pursuant to notice:

That he will call the attention of the Senate to the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague December 16, 1970, and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal September 23, 1971, which were tabled in the Senate on Monday, 26th June, 1972.

He said: Honourable senators, yesterday I tabled two conventions dealing with the problem of international hijacking. The first of these, The Hague Convention for the Suppression of Unlawful Seizure of Aircraft, was signed at The Hague on December 16, 1970. The other convention, dealing with the Suppression of Unlawful Acts against the Safety of Civil Aviation, was signed at Montreal on September 23, 1971. The Hague Convention, which is that for the Suppression of Unlawful Seizure of Aircraft, came into force in October 1971. Canada signed the convention in December 1970, and in so doing became the thirty-fourth of the 81 countries which have acceded to that convention.

The Hague Convention deals with hijacking, obliging contracting states to extradite offenders or to prosecute them for "unlawful seizure of aircraft."

The Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, which was signed in Montreal and is now called the Montreal Convention, was also tabled yesterday, but it has not yet come into force.

Canada was the third country to accede to the measure, having entered into the convention in September 1971. The convention will not come into force until at least 10 of the signatory powers have ratified the agreement, although I must stress that so far 39 countries have entered the convention.

The Montreal Convention deals with "Other Unlawful Acts against the Safety of Civil Aviation" short of outright piracy. Violence and sabotage, destruction of air navigation facilities, and communication of information known to be false, fall into this category. Such offences are governed by the terms of the Montreal Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation.

The Hague Convention, like the Montreal Convention, obliges contracting states either to extradite or to prosecute offenders.

Cuba has signed neither of these conventions, and my information is that there are no prospects of her doing so. In view of this, Canada and Cuba have been negotiating a bilateral treaty which we hope will contain the substance of the obligations contained in the Convention for the Suppression of Unlawful Seizure of Aircraft, and the Montreal Convention.

We expect to hear in the very near future that the Cuban government will send a delegation to Ottawa for the second round of negotiations. The first round was held in Havana in February of 1971. Canada believes that the major air service states should agree to take concerted action against any state which does not live up to the legal obligations contained in such international agreements as The Hague Convention or the Montreal Convention.

• (1410)

It is only when potential offenders realize that no havens will be available to them that we shall be able to eliminate most acts of unlawful interference with civil aviation. This is the thrust of the initiative which Canada and the United States have been pursuing for some time now in the International Civil Aviation Organization in Montreal. The government is pleased that on June 19, 1972, the ICAO Council in Montreal decided that a special legal subcommittee would work, as a matter of priority, on the preparation of an international enforcement convention.

I am sure all honourable senators will heartily concur in the government's decision to contract the obligations which are entailed under these conventions. I am confident that we fully support all lawful means of bringing about the swift demise of air piracy and all of its attendant risks.

On motion of Hon. Mr. Flynn, debate adjourned.

APPROPRIATION BILL No. 3, 1972

SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of honourable Senator Langlois, for the second reading of Bill C-221, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

Hon. L. P. Beaubien: Honourable senators, it is not my intention to delay the passage of Bill C-221. I feel we have to vote these sums of money to Her Majesty in order that the government can carry on its business until March 31, 1973. Therefore, I am going to vote for the bill. However, before I do so I should like to say one or two words. The thing that strikes me every year when looking at the Estimates is the extraordinary way in which they have grown. When I was summoned to the Senate, which is not too long ago, the federal government's budget was $6 billion. Today, taking everything into consideration and the fact that we might have a supplementary budget now and then, we are looking at a budget of $18 billion. As all of us are taxed by the municipal, provincial and federal governments, we must look at the total picture.

In 1960 the federal government spent a good deal more than the provincial government; however, in 1970 this was reversed. As an example, in 1960 the federal government had a budget of $6 billion, and the Province of Quebec had a budget of $600 million. This year Quebec's budget—and I have Mr. Garneau's statement—is up to $4.6 billion from $600 million. In other words, it is over seven times the total of the 1960 budget. Honourable senators, this shows that we are at the saturation point as far as taxation is concerned. Yet, we hear people, with very good cause, telling us that 20 per cent of our population is living below the poverty line and that we have to do something more for them. According to the *Financial Times*, the gross national product this year is expected to be around $93 billion or, perhaps, even a little more. When $18 billion is spent by the federal government and then about as much again by the provinces, you are getting to the point where something like 35 per cent of the gross national product is being spent by the three levels of government.

Hon. Mr. Grosart: More than that.

Hon. Mr. Beaubien: I am trying not to exaggerate.

Hon. Mr. Flynn: On this side we never do.

Hon. Mr. Beaubien: What should we be doing? I think we must try to delve into this and see where a lot of money is wasted. I believe our whole tax system should be looked at. For instance, I think it is terribly bad that we have a federal sales tax. There is no such tax in the United States. The federal sales tax in 1920 was one per cent; in the middle of the depression it was raised to 8 per cent; in 1951 it was raised to 10 per cent, and in 1959 it was raised to 12 per cent, where it stands today. For those who live in a province that also has a sales tax, it does not take long to sit down with pencil and paper and work out the effect of this.

Let us say that an article costs $80 to produce and is sold by the manufacturer with a markup to, say, $100. Then the federal government adds $12 and the article is carried for six months before being sold. Before long the price goes up to $125, and on this the merchandiser has to make his profit. Today many people are living below the poverty line, and they have to pay this tax on nearly everything they buy. It is tax on tax, and it makes no sense.

This federal sales tax is expected to bring in $2.2 billion. It is a big percentage of the federal government budget, so it cannot be abolished. I think it ought to be reduced, but if it is reduced then some of our expenditures must be drastically cut.

In my opinion, the Senate should do more work in this direction. This is the sort of thing we can study to advantage. However, an awful lot has to be done. If we are to do more for those below the poverty line we must find the money, and the only way we can do that is to cut out foolish expenditures. Everything always seems to bring me back to the good old CBC.

Hon. Mr. McElman: We thought you would never get to it.

Hon. Mr. Beaubien: Just think, they are spending $207 million of your hard-earned money.

Hon. Mr. Burchill: The strike is over.

[Hon. Mr. Beaubien.]

Hon. Mr. Beaubien: Then there is another $30 million for capital account that they should pay and do not have.

Hon. Mr. Fournier (De Lanaudière): What about the National Film Board?

Hon. Mr. Beaubien: I think the Senate should look into this, and when we come back in the autumn I would be just delighted to lend a hand.

Hon. Léopold Langlois: Honourable senators—

The Hon. the Speaker: Honourable senators, if the honourable Senator Langlois speaks now his speech will have the effect of closing the debate on second reading.

Hon. Mr. Langlois: Honourable senators, yesterday I decided to delay answering questions put to me by some honourable senators, knowing that there would be other speakers in the debate and having in mind that it has been the practice of this house to delay answering questions until all those wishing to do so have addressed the Senate, so that all the points raised can be dealt with in one closing speech.

• (1420)

Yesterday my honourable friend Senator Grosart commented on the brevity of my remarks in introducing this measure, and he compared those remarks with the huge amounts involved in these Estimates. The reason I abstained from adding to what I said resides in the fact that these Estimates received a thorough study by our Standing Senate Committee on National Finance. Had I added any thing it would have been tantamount to repeating what was said in committee and what is contained in its report, which was printed as an appendix to Senate *Hansard* of June 20. It was in order to avoid such repetition that I abstained from elaborating further on the measure before us.

Besides this comment on my remarks, the honourable senator asked me two questions. The first one reads as follows:

> I should like to ask the sponsor of the bill why it has been found necessary to ask us to vote full supply for the year. It seems to me that on other occasions the practice has been to vote 11 months' supply, leaving the last month's supply open and subject to later discussion.

In this regard, I should like to remind the Senate that it has been the practice in each of the last three fiscal years to secure approval for the balance of the main Estimates at this time. The request for release of the balance of the funds is the result of the present Standing Orders in the other place, whereby their consideration of these Estimates is completed in June of each year and then approved by the covering supply bill.

As honourable senators are aware, there are three supply periods set out within the Standing Orders, within which certain Estimates are passed by the house. The first supply period, ending June 30, provides for consideration of the main Estimates; the second period, ending December 10, provides for passage of supplementary Estimates, if required; and the third period, ending March 26, provides for approval of final supplementary Estimates, if required, and the passage of the first interim supply bill based on the main Estimates for the coming fiscal year.

I wish to add that the Estimates on which the present bill is based were tabled in the Senate and referred to the Standing Senate Committee on National Finance on February 24, as I stated yesterday. The committee reviewed these Estimates and reported back to this house on June 20. Therefore, since consideration has been given to these Estimates by Parliament, it is proposed to proceed with the requested release of supply for the balance of the main Estimates, as approved by the House of Commons, rather than reduce the Appropriation Act by one-twelfth.

I should like to add that I was very much surprised by the question of my honourable friend yesterday, since we have been so used, in this and in the other place, to hearing criticism of the government's seeking authority to approve the expenditure of public funds after those expenditures have been made. This may be the first time we have had the reverse; that is, a criticism that the government is asking Parliament for such authority in advance of the date on which these expenditures likely will be made.

I pass to the second question:

> Perhaps the sponsor of Appropriation Bill No. 3 now before us would indicate if he has any information on forthcoming supplementaries?

My answer is that I am sure the honourable senator is aware that I cannot at this time say that no supplementary Estimates will be required for the balance of this fiscal year.

Hon. Mr. Flynn: But you can say that there will.

Hon. Mr. Langlois: No, I mean it either way.

Hon. Mr. Flynn: Oh, oh!

Hon. Mr. Langlois: I should add, however, for the information of the Leader of the Opposition that I am informed that we are not presently preparing supplementary Estimates. That is as far as I can go at the moment. We are not preparing supplementary Estimates for tabling, either at this time or later on in the fiscal year, but there is a possibility that there will be future requirements of funds.

Hon. Mr. Flynn: It is a certainty.

Hon. Mr. Langlois: That possibility exists not only to meet any unforeseen emergencies which may arise during this year but also to finance any revisions of existing programs which were not anticipated when the main Estimates were prepared some time ago, and also for the implementation of any new programs which may be required for the public good.

I now pass to the remark made by my honourable friend Senator Beaubien a short while ago when he referred to the growth of public expenditures. I should like to refer the honourable senator to the report of the Standing Senate Committee on National Finance which was produced as an appendix to the *Debates of the Senate* of June 20. I would refer him to page 510, paragraphs 3 and 4, in which there is an explanation of these increases in expenditures and a comparison with the growth of the gross national product over the same period of time.

Just to remind the house of what was said in this respect by the Chairman of our Standing Senate Committee on National Finance the other day, I should like to read from paragraph 3 of the committee's report:

> The main Estimates for 1972-73 amount to $15,749 million as compared with the main Estimates of 1971-72 when the amount was $14,352 million. Of the total of the main Estimates for 1972-73, $7,640 million are statutory in nature while $8,109 million represent funds for which Parliament is asked to provide authority. In addition to these amounts there are $790 million of non-budgetary items.

The total growth of these expenditures in terms of percentage is 9.7 per cent as compared to a growth in the GNP over the same period of 9.1 per cent.

Another point I should like to bring to the attention of honourable senators, and I am referring to paragraph 4 of the report, is that statutory expenditures in the present Estimates amount to almost 50 per cent of the total of the Estimates. I feel that it is worth mentioning that aspect of the main Estimates and drawing it to your attention, because, as it is stated in the report: "These cover some very large payments, such as the interest on the public debt, fiscal transfer payments to the provinces and payments to the provinces under shared cost programs."

With that, honourable senators, I conclude my remarks and recommend this measure to the Senate for its consideration.

Motion agreed to and bill read second time.

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Langlois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

• (1430)

LEGAL AND CONSTITUTIONAL AFFAIRS

NOTICE OF COMMITTEE MEETING

Hon. J. Harper Prowse: Honourable senators, I wonder if I might crave your indulgence for a moment to make an announcement of some importance with respect to a meeting of the Standing Senate Committee on Legal and Constitutional Affairs which was set for three o'clock this afternoon?

The Hon. the Speaker: Honourable senators, is it agreed that honourable Senator Prowse shall have leave to address the house on this matter now?

Hon. Senators: Agreed.

Hon. Mr. Prowse: Thank you. What I want to say is simply this: When we got the date for this afternoon's committee meeting we thought that the house would be sitting this evening. But now in view of the fact that the house is sitting this afternoon, the meeting will be held when the Senate rises. I can assure honourable senators it will not be a long meeting.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator Argue, for

the second reading of Bill C-204, to amend the Canadian Wheat Board Act.

Hon. Mr. Haig: Honourable senators, this order appears in my name and I now wish to yield to the honourable Senator John M. Macdonald.

The Hon. the Speaker: Is this agreed, honourable senators?

Hon. Senators: Agreed.

Hon. John M. Macdonald: Honourable senators, first of all I must thank my honourable colleague for his courtesy in yielding to me at this time.

Hon. Mr. Haig: You told me to.

Hon. Mr. Macdonald: It is not my intention to comment on the various amendments contained in this bill which relate to its main objective. Most of them are technical, and I think that Senator Argue convinced us yesterday that they are necessary in view of changing conditions. In any event, my colleague Senator Haig is much better qualified than I am to speak on the substance of the bill, and I have no doubt he will do so.

My purpose in rising today is to make a few comments on the amendments respecting offences and penalties under this bill.

Under the present act sections 42 to 45 inclusive deal with offences and penalties. I want to quote these sections as I feel the amendments are wrong, and in some cases contrary to our idea of justice under the law. Section 42 is as follows:

> 42. (1) Every person who
>
> (a) being required to make any return or declaration under this Act or any regulation or order, furnishes any false information or makes any false statement in such return or declaration or fails fully to complete such return or declaration,
>
> (b) makes a false entry in any permit book or other document required to be completed by him under this Act, or
>
> (c) contravenes or omits to comply with this Act or any regulation or order, is guilty of an offence and liable on summary conviction
>
> (d) in the case of a producer or operator of an elevator convicted of an offence relating to the delivery of grain, to a fine not exceeding three hundred dollars or to imprisonment for a term not exceeding three months, or to both, and
>
> (e) in any other case, to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding two years, or to both.

Now, clause 6 of the bill proposes to change the penalty which is set out in section 42(1)(*d*) of the act and to break the penalty, as it were, as between a producer and an operator. The effect, so far as a producer is concerned, is to leave the maximum penalty at $300, but it imposes a minimum penalty of $50 where formerly there was no minimum, and in the case of an operator or manager of an elevator, the minimum penalty is also set at $50 and the maximum penalty is reduced to $2,000.

Honourable senators, I have not seen what I consider any valid reason why a minimum sentence of $50 should be imposed where now there is no minimum. True it has been said that penalties as low as $1 have been imposed, but I expect that a magistrate or a justice who imposed such a sentence had a good reason for so doing. Usually when a small fine is imposed it is because the accused is technically guilty of an offence but has acted through lack of knowledge or has made an honest mistake.

You will note that subsection 42(1)(*a*) of the act states "Every person who . . . furnishes any false information . . ." It does not say, "who knowingly furnishes false information." I believe the discretion should be left to the magistrate or judge to impose a fine of $1 if he is convinced that in all the circumstances surrounding the offence this is all that is called for.

I think however, there is a worse feature than the increased penalties. At least such penalties can be imposed only by a court. But clauses 6 and 7 of the bill give some really extraordinary powers to the board, and to give you an idea of this amazing authority I will quote from clause 7. It adds a new section 44.1, which reads, in part:

> (1) Notwithstanding anything in this Act or the provisions of Part XXIV of the *Criminal Code*, unless otherwise directed by the Attorney General of Canada, the Board may proceed in accordance with sections 44.2 to 44.5 in respect of any offence against this Act alleged to have been committed by an actual producer in respect of the delivery of grain, in lieu of following the procedure set out in the *Criminal Code* in respect of proceedings for summary conviction offences.

So what do these sections contain? In brief they allow an inspector appointed by the board to sign what they call a contravention notice in respect to an alleged offence. I presume by contravention they mean a violation of some law, rule or regulation. Then the notice must be served personally on the producer, or if he resides outside Canada it is sent to him by registered mail. The producer in Canada then has 14 days to dispute, as they call it, the allegations contained in the notice. It is of interest to note that the producer upon whom notice is served by registered mail has 20 days from the date of the posting of the registered letter, not from the date it is received by him, to make his denial. If a producer disputes the allegation, then an ordinary court action can be taken against him. If he does not dispute the allegation or if he does not answer it, then the board imposes the penalty set out in clause 44.5 of the bill. In other words, the board takes the place of and in effect becomes a court of law, although not the kind of court we want in our judicial system.

Hon. Mr. Martin: Is there not a provision whereby this is subject to an action which might be taken by the Attorney General of Canada?

Hon. Mr. Macdonald: Yes. It says, ". . . unless otherwise directed by the Attorney General of Canada, . . ." This is the way they ordinarily proceed. In effect, the board tells the accused: "You are guilty of an offence and we will impose a penalty on you unless you prove you are not guilty." There is the constant threat that if a producer should dare to dispute the allegation or deny his guilt, the board will charge him in a regular court of law. There are no safeguards; there are no hearings. A producer residing

outside Canada could, if the mails were slow, be convicted and sentenced by the board before he actually knew he was being charged.

• (1440)

I believe it is wholly wrong to give such power to the board. Such a system will leave the door wide open to abuse, to favoritism, or the reverse. To make matters worse, the board is given power to restore the penalty they have imposed when they wish to do so, which is a still greater way in which abuses can occur.

Honourable senators, I believe we should be vigilant in safeguarding our legal system. Let us not weaken it by giving power to boards to act as courts of law. Indeed, I am surprised that such a distinguished body as the Canadian Wheat Board would even agree to accept such powers. I suggest to the Standing Senate Committee on Agriculture that they amend Bill C-204 by deleting from it those clauses which will give the board such unusual and extraordinary power with respect to offences and penalties under the act. We have courts of law, and we have confidence in and respect for them. Let the courts administer the law, and let the Canadian Wheat Board administer the Canadian Wheat Board Act.

On motion of Hon. Mr. Haig, debate adjourned.

ADULT OCCUPATIONAL TRAINING ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Margaret Norrie moved the second reading of Bill C-195, to amend the Adult Occupational Training Act.

She said: Honourable senators, I should like to express my pleasure with the opportunity I have been given to move second reading of the bill to amend the Adult Occupational Training Act. May I say at the outset that the proposed amendments to the Adult Occupational Training Act are evidence of the government's continuing commitment to the program of occupational training which it introduced in 1967, and its concern for equity of accessibility to economic and social programs by the citizens it serves. I believe the changes will strengthen this important and proven legislation by making it more meaningful to a larger segment of the Canadian labour force.

There are five changes proposed and I shall discuss them one by one.

As you are all aware, the existing eligibility criteria for the receipt of training allowances—allowances which are intended to be replacement income for adult trainees with family responsibilities—have excluded, through what has become known as "the three-year rule," the majority of our nation's youth from benefiting under the program at a time in their lives when it now appears they need this type of assistance the most. They need occupational training in order to find and keep a job. Also, many married women who have been returning to the labour force in increasing numbers during recent years have found that financially assisted training was inaccessible to them because they did not have the required three-year attachment to the labour force.

The first change which is proposed is the removal altogether of the "three-year rule" to permit all adults who need it to benefit from the program of occupational training. I believe this change will provide young workers with the opportunity to become productive without a long delay, and the married woman returning to the labour force with the opportunity to refresh the skills she once learned, or to learn new ones, and to receive financial assistance while doing so.

I should like to say, in addition, that this change reflects the views expressed to the Department of Manpower and Immigration by social agencies and private groups, as well as by the provincial governments which have been unanimous in their desire to see the rule lifted and the training program made more accessible and flexible to meet the needs of all groups in our rapidly changing society.

I must hasten to add that while the "three-year rule" is no longer needed to give the priority in training to the older and more mature worker, we have, on the other hand, ensured that we will not be encouraging young people to leave regular school before completing their basic education. The criteria for receiving allowances, therefore, will be exactly the same as the criteria for referral to training—that is, a trainee must be one year older than the school-leaving age in the province where he or she lives, and be one year out of school.

There is provision too in the bill for increased flexibility in payment of training allowances to provide explicitly for those who have no financial responsibilities or do not have the same financial obligations as a married person with dependants. By paying a little less to those who have no financial responsibilities, for example, to those who live at home with their parents or spouse, there will be more to provide to those who do have obligations—obligations which without financial assistance might preclude these individuals from taking the training they so badly need. Regulations providing suitable allowance rates are presently being drafted.

I shall move on now to the proposed new section 4(1) of the Adult Occupational Training Act. It too is related to eligibility, but in this case to eligibility for training, not allowances. Under the existing legislation a mature adult who goes back to school at his own expense and then seeks a training course under the Canada Manpower Training Program is ineligible until he again has been out of school a year. It was never the intent to penalize mature adults for showing initiative in returning to school of their own volition to attain needed qualifications for further training. What could have been further from the spirit of the original concept of an adult occupational training program?

• (1450)

Although only a few people are adversely affected by the present wording of the act, it is necessary to amend it so that no ambiguity exists and all interpretations lead to but one conclusion—that adults who have at any time been a year out of school do not lose eligibility for training if they subsequently return to school and then seek training under the Canada Manpower Training Program.

Honourable senators, I should like to draw your attention to a most important feature of the bill—the proposal to amend the legislation in regard to on-the-job training.

In the existing legislation there is an impediment which makes it impossible to provide on-the-job training within the Training-in-Industry Program, except where necessary, because of technological or economic changes affecting an employer that would otherwise result in loss of employment to the employees concerned.

Before proceeding further I should like to remind honourable members of the highly successful Canada Manpower Training-on-the-Job Program initiated last October in response to the critically high unemployment situation of last winter. The program was designed to stimulate employers to prepare for future expansion and to permit persons, who would otherwise be unemployed, to learn on the job skills which would be of a continuing value to them by increasing their employability or earning capacity, and preparing them to take advantage of future employment opportunities.

Honourable senators will recall that the program was mounted quickly as part of the Special Winter Employment Program, and that the initial allocation of $20 million was increased to $50 million in late February. Employers eagerly seized the opportunity to train future employees right in their own plants. In fact, the response from industry has exceeded all expectations. So far, 12,345 contracts have been signed, providing training for 43,052 unemployed persons at a cost to Canada of just under the $50 million allocated.

I give this background to show that the proposed change which removes the impediment to providing on-the-job training, except in the special circumstances which I have described, is a necessary and most reasonable step for the government to take. From experience gained through the special Training-on-the-Job Program last winter, it is clear that on-the-job training is a most effective method of conducting occupational training, and that more emphasis should be placed upon it in the future.

The change will enable the department to include training-on-the-job in Training-in-Industry projects on a continuing basis, and will increase the government's ability to assist those workers who day after day are being laid off as a result of new machinery and processes being introduced in their plants and work sites. Workers whose skills become obsolete overnight, as it were, can be retrained with the minimum of dislocation and hardship. I am sure this house will agree that this change will benefit both employer and employee alike, and will increase the flexibility of manpower programs in the industrial training field.

Another change relates to training in industry. The recommended amendment will permit the Department of Manpower and Immigration to enter into training-in-industry contracts with groups of employers. This change will streamline the administration of the Training-in-Industry Program, because the department will be able to write one contract for the common training of employees from various companies. Under the existing legislation, whenever a group of companies decides to join together to provide training for their employees—for example, in some new process—the Department of Manpower and Immigration must enter into separate contracts with each individual employer.

[Hon. Mrs. Norrie.]

A good example of such a situation, which I will use as an illustration, has to do with the Canadian Lumbermen's Association and the need to retrain lumber graders. In 1970 a new set of standards was issued by the Canadian Lumber Standards Division of the Canadian Standards Association for the grading of softwood, which provided for a new, uniform, North American standard.

Lumber graders from across Canada had to be trained or they would face the prospect of losing their employment. The Canadian Lumbermen's Association developed a training program arranged to conduct courses in various centres across the country, and approached the Department of Manpower and Immigration for financial assistance under the Training-in-Industry Program. It was necessary, because of the existing legislation, to write separate contracts with each individual lumberyard owner to fulfil the requirement of the legislation. It would have been much more efficient to have entered into a contract with the association on behalf of the hundreds of lumberyards which sent candidates to the training courses, and the proposed change will permit this type of an arrangement in the future.

I believe the change will help to encourage employers to benefit from the Training-in-Industry Program, and will go a long way towards upgrading manpower qualifications among industrial workers, and increasing productivity across our great nation.

The last change proposed by the bill is one which will simplify financial arrangements between the Department of Manpower and Immigration and the provinces. At present interim payments are made on a monthly basis by the department to the provinces based on estimated costs, with an adjustment after the end of the fiscal year and after a detailed audit of the provinces' books. In practice, this process has proven unwieldy and laborious. To rectify the situation, discussions have been held with the provinces, and there is broad agreement that training should be purchased at mutually acceptable prices without the subsequent final settlement process. The change will permit the department to offer provinces the option of a negotiated fixed price, rather than the present arrangement of interim payments and complex audits.

Honourable senators, I have outlined the nature of the changes which the bill proposes to the Adult Occupational Training Act, and the rationale behind the changes. The bill should in no way be considered a major overhaul of the current legislation, but it will enable more Canadians to benefit from occupational training according to their own needs, and at a time in their lives when the opportunity is needed most.

The change which recommends the elimination of the "three-year rule," the rule which demanded a three-year attachment to the labour force, unless one had dependants, before training allowances would be paid, is a most progressive step forward in the evolution of the adult training program. The recognition of, and the response to, the plight of young workers in this day and age of increasing technological change, caught between school and the labour market without a marketable skill, has been widely recommended, and is now proposed as a legislative change. The special needs of women returning to the labour market will also be met by this change, reflecting

the government's commitment to equity and its response to the recommendations made by the Royal Commission on the Status of Women and other groups who made their views known on the subject of women's rights.

The other changes which I have described are not as full of headline material as the "three-year rule" change, but they will, in time, be equally as important because they build flexibility into the legislation, and will allow the department to place more emphasis in the future on industrial training.

• (1500)

Training in industry and the learning of skills on the job will be a training method used with increasing frequency in the years ahead. It will never, of course, fully replace institutional training, but it has application in so many areas where no other method is quite suitable, and it has proven itself efficient both economically and socially. This government wishes to be in a position to offer one of the most flexible, dynamic, and realistic occupational training programs in the western industrialized world.

The change which has to do with the method of purchasing training from the provinces emphasizes the government's commitment that consultation and co-operation with the provinces in the critical area of manpower planning and training will receive top priority in the days and months ahead. A province's role in determining training needs and providing the type of training its citizens require has always been an important feature of the Canada Manpower Training Program, and this role is to be emphasized and strengthened. The change in the legislation which permits a negotiated price for the purchase of training is one step along the way towards an environment of close consultation and co-operation at every level.

In conclusion, honourable senators, I urge your support of this bill which I present for your consideration today and which, if enacted, will increase the employment opportunities and earning potential of all Canadians.

Hon. John M. Macdonald: Honourable senators, first of all, may I congratulate my colleague from Nova Scotia, the honourable Senator Norrie, on her very fine presentation. It is obvious that she is a fine speaker. This was her maiden speech in this chamber, and I can assure her we all look forward to hearing her many times in the future.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Honourable senators, as has already been so well stated, this bill proposes five amendments to the Adult Occupational Training Act. I might note that this act can now be found in the Revised Statutes of Canada, 1970, chapter A-2. I do not think any of the proposed amendments are controversial. All should find ready approval. Of course, as was stated, all are not of equal importance. Indeed, so far as the person seeking training is concerned, I think the most important amendment is the one which eliminates the requirement that he has to have been in the labour force for three years, or that he supports dependants in order to be eligible to receive training allowances. Section 3 of the present act is to be changed, and this three-year business is being done away with.

Under the proposed amendment the minister will be able to pay to an adult who is being trained an allowance related to family circumstances and the living costs of that adult. It is provided that a smaller allowance is to be paid to an adult without dependants, but this cannot be less than $20 a week. While it is obvious that this is an important amendment, and one which experience has shown is both necessary and desirable, I expect difficulties will arise as to the amount to be paid unless some proper guidelines and safeguards are laid down. I do not know just what the guidelines are that are now being followed, but I do not like the idea of a training allowance being set as $20 a week for anyone. Let us face it, when such a vague means test as "training allowance related to the family circumstances and living costs of that adult" is set down, great care must be exercised to prevent discrimination among such adults. I expect the level of unemployment insurance and welfare payments would have to be considered in determining the amount to be paid under the provisions of the Adult Occupational Training Act. The other amendment of importance to the applicant for training is that which permits training on the job.

While I support the amendments proposed in Bill C-195, I do not think they go far enough. Indeed, I think it is time the whole Adult Occupational Training Act was given a thorough study in order to bring it in line with present day conditions. Perhaps when we return after the summer recess—if we do return—one of our standing committees might undertake such a study.

Hon. Mr. Martin: That is a good idea.

Hon. Mr. Macdonald: I do not wish to be too critical of the training program. I know it has done good work, but it may well be that it needs to be changed in order to meet the new social and economic conditions. The weaknesses of the program have been pointed out on various occasions.

Honourable senators will recall that the Report of the Special Senate Committee on Poverty, for instance, devoted a chapter to this point entitled "The Poor and the Manpower System," which is to be found at page 149 of that report. I quote, in part, from that chapter:

> In operation, the Federal Manpower program is oriented toward providing a service to employers—that is, toward labour demand. Department priorities are directed at meeting the existing and forecast needs of the labour market and not at meeting the needs of the individual worker. This conflicts to some extent with the purposes of the *Adult Occupational Training Act*, as stated on March 3, 1967, by the then-Minister of Manpower and Immigration who said:
>
> > We want to provide a second chance to the people who need it most. These are the men and women who missed the chance to acquire a skill during their youth or whose skill has been made obsolete by technological change.

The report continues:

> Thus what was intended as a "people-oriented" program has become an "economy-oriented" program. In practice, the evidence presented to the Senate Committee clearly indicates that the programs of the Department are just not available or accessible "to the

people who need it most"—the poor and the disadvantaged.

May I add that I do not feel there has been any improvement since that report came out. To my mind, this is borne out by the fact that provision has been made for training allowances in certain cases of only $20 a week. Such a miserable allowance must be meant as bus fare or pocket money for the children of the well-to-do; it is not even a subsistence allowance for the children of the poor.

Honourable senators, in any study of our manpower training courses the recommendations of the Special Senate Committee on Poverty deserve to be kept in mind. I should like to place the major recommendation of that committee in this matter on record again, and it is:

> That the Government of Canada shift its emphasis from Manpower training in narrow labour-force terms to a broad policy aimed at developing and making the best use of the human resources of the nation. This will require a number of changes in the priorities and emphasis which are reflected in the policies and programs of the Department of Manpower and Immigration. The departmental activities should be re-oriented from a service to employers to a service to individual citizens in terms of their particular needs for academic up-grading, occupational training, mobility assistance, and job placement. Restrictions which now effectively exclude the poor and disadvantaged from departmental programs must be removed.

I believe Bill C-195 could be improved a great deal by including in it a few more amendments to the act. For example, under clause 2, which amends section 4(1) of the act, a manpower officer may arrange for the enrolment of an adult in any occupational training course which will, in the opinion of the manpower officer, provide training suitable for that adult and increase his earning capacity or his opportunities for employment. Honourable senators will note the wide discretion that is given to the manpower officer, and also the fact that there is no provision for an appeal from his decision. I do believe there should be an appeal procedure provided against the decision of the local manpower officer if he refuses to arrange for an adult to enrol in an occupational training course.

• (1510)

I think too a second look should be given to the provision in the act which provides that no occupational training course may exceed 52 weeks of full-time instruction, or 182 hours of part-time instruction. I believe this to be wholly wrong, as it could work to the disadvantage of many students.

I also believe it to be wholly unfair that to be eligible for training an adult must have been out of school for at least a year. I would expect this is a wasted year in too many cases. Indeed, it would be beneficial, in my view, to have the occupational training course as soon as possible after leaving school.

While I believe these occupational training courses are very worth while, and while I support the proposed amendments as being helpful, I think we must never lose sight of one great truth, which is that all the training and all the courses, no matter how good in themselves, will be of little benefit to the person receiving them unless we can provide him with employment when he has completed his course. If he is to get full benefit from his training, he must have the opportunity to use the knowledge and the skill he has acquired, so that he will be a useful, respected, and happy member of society.

I know the situation today, at least in some regions of Canada, is such that there is no employment for persons who have completed these courses. What, then, are they to do? Personally, I think all those taking adult occupational courses should come under the Unemployment Insurance Act. The premiums could be deducted from their allowance, and the employer's contribution could be made by the government and form part of the cost of the program. If no employment is then available, at least unemployment insurance would be paid, and the person would know he was being treated as part of the labour force and not as a welfare case.

Honourable senators, I mentioned a few moments ago that in 1967 the then Minister of Manpower and Immigration said:

> We want to provide a second chance to the people who need it most.

I agree with this, but I would go one step further and say we must provide a first chance to those who need it most, a chance for employment, which will permit them to live useful and happy lives. This must be our first priority.

On motion of Hon. Mr. Yuzyk, debate adjourned.

ADJOURNMENT

Hon. Mr. Martin: In moving the adjournment of the Senate I should like to say on behalf of us all how greatly we appreciated being with you last night, Mr. Speaker, and His Excellency the Governor General.

Hon. Senators: Hear, hear.

The Hon. the Speaker: If it was successful, it could not have been so without your co-operation, honourable senators. I thank you all.

The Senate adjourned until tomorrow at 2 p.m.

THE SENATE

Wednesday, June 28, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of operations under the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1972, pursuant to section 12(2) of the said act, chapter F-22, R.S.C., 1970.

Report by the Tariff Board, dated April 26, 1972, relative to the investigation ordered by the Minister of Finance respecting Strawberries for Processing, Reference No. 148 (English and French texts), together with a copy of the transcript of the evidence presented at public hearings (English text), pursuant to section 6 of the Tariff Board Act, chapter T-1, R.S.C., 1970.

Report of the Farm Credit Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

AGRICULTURE

ADDITION TO COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator Inman be added to the list of senators serving on the Standing Senate Committee on Agriculture.

Motion agreed to.

APPROPRIATION BILL No. 3, 1972

THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-221, for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973.

Motion agreed to and bill read third time and passed.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator Argue for the second reading of Bill C-204, to amend the Canadian Wheat Board Act.

Hon. J. Campbell Haig: Honourable senators, the motion for second reading of this bill was made by Senator Argue on June 26. He gave several reasons why these amendments should be proceeded with. I do not think anything further needs to be said about this matter owing to the fact that Senator Argue outlined the reasons for the adoption of the bill very well on that day. His reasons are contained on pages 530 and 531 of *Hansard*.

As all honourable senators know, the Canadian Wheat Board is an important agency which affects a large part of our western economy. If honourable senators will read and discuss the remarks of Senator Argue of June 26, which received very comprehensive reporting, and knowing that the new revived Agriculture Committee of the Senate wishes to discuss this, I would suggest in all sincerity that this bill be referred to that committee forthwith.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion for second reading?

Hon. Hazen Argue: Honourable senators—

The Hon. the Speaker: Honourable senators, I must inform the Senate that if honourable Senator Argue speaks now it will have the effect of closing the debate on second reading.

Hon. Mr. Argue: Honourable senators, I am sure grain producers will appreciate the importance given to second reading of Bill C-204 in the Senate. There has been general approval for all the provisions of the bill, except in the case of Senator Macdonald who raised certain objections to the penalty features.

The Standing Senate Committee on Agriculture was informed this morning that the experience of the board has been that in some instances where producers have overdelivered grain by as much as 5,000 bushels—that is, to a value of $6,000 or $7,000—and they have been subsequently charged in court, the penalty imposed at times has been as little as $1. Therefore the Canadian Wheat Board feels that there should be an increase in the penalty, so provision is made for a minimum penalty of $50. However, as I take it, the offences involved are usually, if not exclusively, for overdelivery of grain. The attitude of the board is that if the farmer wishes he may deal directly with the board after having committed this offence, and his penalty will be a reduction in his delivery opportunities to the extent of his previous overdeliveries, plus a further penalty equal to the value of the amount of his overdeliveries.

• (1410)

While I cannot speak on this as a lawyer, I can certainly speak on it as a farmer, and my understanding is that the board does not take objection to a small overdelivery. For example, as a producer I may have delivery quotas at a given time for 1,000 bushels of grain; I may have hired a neighbour with a 400-bushel truck to come and haul out my grain. If there are two deliveries at 400 bushels a load, there are 200 bushels left to be delivered. Somebody has to estimate a 200-bushel load in a 400-bushel truck.

There are and have to be errors, and the Canadian Wheat Board has informed me that if the error is within 25 bushels or so they do not take any objection at all. On the other hand, if there is a serious overdelivery—in other words, a deliberate effort by someone to beat the quota by

delivering an excessive amount—they feel these provisions are in order and should be adopted.

At the conclusion of my remarks I will move that this bill be referred to the Standing Senate Committee on Agriculture. I am sure the Honourable Otto Lang will be able to appear before that committee, and he can give in a more specific and more elaborate way the reasons for suggesting this clause in the new bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Argue, bill referred to the Standing Senate Committee on Agriculture.

AIR TRANSPORT

CONVENTIONS ON UNLAWFUL SEIZURE OF AIRCRAFT AND UNLAWFUL ACTS AGAINST CIVIL AVIATION—DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of honourable Senator Martin, calling the attention of the Senate to the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague December 16, 1970, and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, done at Montreal September 23, 1971, which were tabled in the Senate on Monday, 26th June, 1972.

Hon. Jacques Flynn: Honourable senators, there is very little I can add to the speech made by the Leader of the Government on this matter. All Canadians agreed with the government when, in December, 1970, it signed the Convention for the Suppression of Unlawful Seizure of Aircraft. They also agreed when, in September, 1971, the government signed a Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation.

We are evidently all opposed to air piracy, as we are opposed to all other unlawful acts against the safety of civil aviation. Air piracy, however, is no longer a problem involving only the Cuban and United States governments. It has become an international curse. Measures of precaution, reminiscent of police states, have had to be taken in most major airports of the free world, and still people seem to be able to smuggle weapons abroad planes, still they use these weapons for purposes of air piracy.

Air piracy is not the only problem today. No longer have we to contend only with people looking for a free ride to a country with the type of government they think they would prefer. The airlines have become the favourite target of another brand of fanatic—the extortionist, who threatens to blow up planes unless huge sums of money are paid to support his cause.

Airlines are also used now by some people at times to exert political pressure. I refer here to the use of violence and sabotage. The Middle East conflict between Israel and the Arab nations has given rise to a lot of this.

Threats against the safety of airplanes are also used by other demented individuals to blackmail the airline companies.

We have witnessed recently the novel use to which the skill of parachute-jumping has been put by some in the United States.

All of this despicable behaviour jeopardizes the lives of thousands of innocent individuals. Something must be done to bring an end to it. We in this country have recently amended our Criminal Code to provide much more serious penalties for air piracy. It is to be hoped that this will act as a deterrent. But no such measure can be significantly effective in suppressing air piracy and other outrageous acts against the safety of civil aviation until such time as it is bolstered by an international agreement among all states to extradite and prosecute offenders.

Unless more nations sign these conventions and unless more of the nations more directly involved—and Canada is not one of them, thank God—sign them, we cannot look forward to much improvement. Canada can sign all the extradition agreements it wants with Cuba. That makes little difference on the international landscape, because very few offences of this type occur on Canadian airlines.

It would be more useful if Canada might convince Cuba to sign these two conventions, rather than an extradition treaty binding only our two countries. We have to wipe out all the havens available to potential criminals, if we are ever to restore complete safety to air travel. Whatever this government can do by influence or example to bring this about will receive our complete and unreserved support.

The Hon. the Speaker: This item is now considered as having been debated.

ADULT OCCUPATIONAL TRAINING ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of the honourable Senator Norrie, for the second reading of Bill C-195, to amend the Adult Occupational Training Act.

Hon. Paul Yuzyk: Honourable senators, my contribution to this debate will not be long, thanks to Senator Norrie's thorough explanation of the clauses of Bill C-195. I join with Senator Macdonald and all other members of this chamber in congratulating her on her fine maiden speech on a rather complicated topic. We look forward to Senator Norrie's active participation, together with the other six ladies, in the work of the Senate. They are a great credit to this august body.

• (1420)

As Senator Macdonald stated in his brilliant and moving speech—

Hon. Mr. Choquette: Hear, hear.

Hon. Mr. Yuzyk: —this bill has made some welcome improvements in the manpower training program, but in reality they do not go far enough to make the entire program as effective as it could be and should be. The only really important changes are those which remove the restrictions on allowances and on the in-industry training programs, which should have been made long ago.

This bill provides very little help to those who need it most, the poor, low-income, disadvantaged, unskilled and under-educated Canadians, particularly in rural areas and outlying districts, which form a large part of the unemployed.

Senator Macdonald pointed out some of the important hindrances in the Adult Occupational Training Act which cripple the manpower training program in effectively reducing poverty and unemployment. These can be briefly summarized as follows: First, the underlying principles of the manpower training program are not oriented towards the disadvantaged groups, in short contrast with the manpower strategy of the United States and some other countries. Secondly, as was voiced by the Special Senate Committee on Poverty, the federal manpower program is more oriented toward providing a service to employers than toward meeting the needs of the individual worker. Thirdly, the act provides that no occupational training course may exceed 52 weeks' duration of full-time instruction. This deprives those persons who require more than one year's academic upgrading, particularly those below the Grade 8 level. Statistics prove that the low educational level of the population results in a comparatively high rate of unemployment, notably in the Atlantic region.

Fourthly, under this act a person employed in insurable employment is not eligible for unemployment insurance while in receipt of a training allowance, but does retain his benefit and contribution rights. If unemployment insurance is to be truly universal, as was apparently intended by the government, why should trainees, who must pay income tax on their allowances, also not pay unemployment insurance and thus collect benefits that are often needed at the conclusion of the training program?

It is obvious that this new bill does not solve the numerous problems in the Canada Manpower Training Program. I do not share the belief of the minister, Mr. Bryce Mackasey, that this "—is already perhaps the world's finest manpower program."

The *Eighth Annual Review* of the Economic Council of Canada states that the federal government has spent approximately $1.4 billion since the inception of the adult occupational training program in 1967, to March 31, 1972. In the absence of detailed evaluative data regarding the effect of the manpower training program on unemployment in Canada, it is impossible to write up a balance sheet of the credits and debits. The lack of concrete data on the operation of the scheme and the effects on unemployment motivated the *Financial Times* to publish an editorial on February 22, 1971, part of which I quote:

> What taxpayers will find almost incredible is that no assessment of the program's value has been made since September 1967. On the basis of surveys made in the first nine months of 1969, the government happily claims that three out of every four trainees are getting jobs in 1971. On that ancient evidence, it is happy to go on spending more than $300 million every year. "No minister," we are told, has ever asked for a more up-to-date check.
>
> It is no wonder that the public is getting more and more skeptical—and more and more angry—about government pretensions. The wonder is that the federal government can remain so complacent.

Since this editorial, the Report of the Canada Manpower Training Program for 1970 was tabled in Parliament on December 16, 1971. But it falls far short of meeting the criticism of the *Financial Times*, as it still lacks concrete evaluative data.

The recent report of the New Brunswick Task Force on Social Development refers to today's labour market, in which many trainees cannot find jobs after they leave the programs. It says:

> Unfortunately, programs attempting to improve the supply of labour (such as vocational education and the various federal manpower programs) have never been directly related to programs that attempt to generate a demand for labour. The result is that persons are trained for jobs that may not exist, and jobs are created requiring skills that may not be available locally.

The Royal Commission on the Status of Women complains that there is discrimination against women, stating that:

> Occupational segregation by sex is being perpetuated in the occupational training for adults programs.

They demonstrate that manpower offers the bulk of women trainees low-paid work like hairdressing, clerical and sales jobs, and trains few in management courses. Women make up almost 35 per cent of the labour force, yet last year only 20 per cent of the people trained in manpower were women. Women want more womanpower.

Because substantive changes in the manpower training program have not been forthcoming, the Province of Quebec has declared its desire to administer its own adult vocational program, since the federal program "no longer reflects the needs of the people of Quebec."

Quebec Labour Minister, Mr. Cournoyer, complained on June 5, 1971, that the federal government selects candidates for their financial worth and ignores those who have less than the average education, which constitute the chronic welfare cases that the province has to support.

In view of the widespread criticism of the manpower training program, it is obvious that greater changes must be made than those offered in Bill C-195. I approve the present changes as far as they go, but they should go much further. Consequently, I should like to see this bill considered in committee where senators could discuss these matters with the officials of the Department of Manpower and Immigration. Also, I believe it is evident that the operations of this program should be thoroughly reviewed, investigated and concretely evaluated. This could be undertaken by one of our standing committees or by a special committee in the very near future. We could thus perform a useful service in the interests of the Canadian people in this vast and rich land of ours, where human resources should fully benefit from the natural resources.

• (1430)

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Norrie, bill referred to the Standing Senate Committee on Health, Welfare and Science.

SCIENCE POLICY

CONSIDERATION OF VOLUME II OF REPORT OF SPECIAL COMMITTEE—DEBATE CONCLUDED

The Senate resumed from Tuesday, March 28, the adjourned debate on the consideration of Volume II of the Report of the Special Committee on Science Policy, tabled in the Senate on Thursday, February 24, 1972.

Hon. Paul Martin: Honourable senators, first of all, may I say to Senator Edgar Fournier how happy we are to see him in his seat and looking so well.

Hon. Senators: Hear, hear.

[*French*]

L'hon. M. Martin: Nous sommes tous si heureux d'accueillir le sénateur Fournier.

[*English*]

Honourable senators, some time has gone by since the Chairman of the Senate Special Committee on Science Policy submitted the second report of that committee's outstanding work. I need hardly add that the committee has rendered a distinctive service. Its hearings have stimulated much thought and discussion at many levels in the general public through the news media, the scientific and technological communities, professional organizations and societies, and, I may say, even within the government itself.

My colleague, the Honourable Alastair Gillespie, Minister of State for Science and Technology, has said, and I now say on behalf of the government, that we regard the committee's report as an important contribution to the development of an effective science policy for Canada. Perhaps I should say science policies, for it has been argued by Mr. Gillespie, with the support, I think, of a good many others, that science policy is not something that can be tied up in one neat package for all time, but rather it is a series of policies using and applying science in support of national objectives; a set of policies for different sectors, reflecting the priorities of the government and the objectives of agencies. I think it is fair to say that no one rigid science policy should be looked for.

National objectives are central, of course, to the formulation of science policies. These objectives are determined by political factors, socio-economic factors, and so forth. These factors may change with time and thus new policies will have to be developed to meet new objectives. Any national science policy will be the composite result of policies developed in various areas.

The committee in its reports has referred repeatedly to the weakness of the research and development effort of Canadian industry and noted the extent to which government departments and agencies perform research and development work in their own laboratories. Since the committee's report was submitted, my colleague has advised me that the government has decided that wherever possible research and development work will be contracted out to industry. After all, it is in industry that the results of such activities are most likely to find their way into the marketplace as new goods and services.

Among the 45 recommendations spread through several chapters, there was one calling for the allocation of about 10 per cent of the national research and development effort to basic research by the year 1980. The report urges that an immediate start be made toward this goal.

This would appear to mean a 100 per cent increase in the support of basic research in the next eight years. But let us examine more closely what would, in fact, happen if the recommendations were followed. Current basic research expenditures in Canada are about $255 million. This represents about one-quarter of the total spending on research and development. If approximately 10 per cent of the national research and development effort were devoted to basic research by 1980, as is recommended by the Committee, this would amount to $475 million. While that is a doubling in dollar amount, it is a deceptive increase. The reason is that the increase is just about enough to meet the inflation-sophistication factor which runs to some 6½ per cent or 7 per cent a year.

If the basic research spending were to grow at a rate of 6.5 per cent a year, by the year 1980 spending would total $479 million, slightly more than recommended as a target by the committee's report. Thus, honourable senators can see that if that recommendation were to be implemented, no real increase in expenditures for basic research would result. It may be that the amount of the basic research done by a country should more properly be related to what that country can afford to do. That is, the measure may be more appropriately one of the proportion of gross national product than of the total spending on research and development. This is an important question which must be more closely studied.

The committee has recommended that the Economic Council set up a special commission on the future which, among other things, would look at the years 2000 and 1985 and attempt to project various possible environments that could emerge. No one would disagree that this examination into the future or "futurology," as it is called, is an essential part of policy planning process.

All one has to do is read Herman Kahn's book entitled *The Year 2000* to see the attention that is being paid in so many areas of the world to this aspect of planning for the remaining years of this century. No country can hope successfully to compete in the modern world unless these techniques are observed not only by scientists but by those who have the responsibility of public administration. A variety of institutions in government and outside are now involved in this very area.

• (1440)

A related recommendation of the committee concerns this house. The committee suggested that this chamber sponsor a conference for the purpose of establishing a commission on the future, the responsibility of which would be to help as many private and public organizations as possible to forecast and build their futures not only in isolation but together. The Senate has examined that proposal.

The committee has also proposed that the Canadian government and Parliament should adopt an overall plan for the seventies for science and technology based on longer-term projections and overall national research and development targets. Existing projections are probably inadequate, and in some cases forecasts of expenditures six years hence have been no better than assumptions

based on the experience of the proportion of the gross national product that R and D has been in the past.

In connection with this proposal the committee has said that the procedures and organizations of the planning, programming and budgeting system should be improved to provide a better assessment of the output of research and development activities and a better basis for determining annual appropriations for financing these activities.

The committee believes that after 1980 this approach can be adapted to the arrangement and formulation of successive five-year plans. It should be noted that the existing budget forecasting techniques cover only three years, not five years, as is stated in the report.

Another measurement tool of research and development recommended by the committee is a national inventory to be kept by the Minister of State for Science and Technology. The committee says that the ministry should be made responsible for developing a national audit of current R and D programs and projects which are the beneficiaries of support by public funds. In this regard the nucleus of such an inventory now exists with respect to federally funded university research. It can be found in the National Science Library information exchange centre. I understand also that study is being given to ways of extending this inventory to other sectors and to other sources of funding.

One of the recommendations which has attracted considerable attention and probably will involve considerable debate relates to spending goals. The committee proposes that the national expenditure on research and development will reach 2.5 per cent of the gross national product by the beginning of the next decade. This represents a substantial increase from the current 1.3 per cent of the GNP which now is devoted to research and development. The federal government funding should be restricted to worth-while programs and projects, says the committee—and I am sure there will be general agreement with this.

Federally funded programs are being scrutinized now, I may say, as perhaps never before and it is likely to take some time before a final judgment can be reached about how realistic a goal can be set.

Another area of controversy concerns the recommendation that a Canadian research board be set up, together with three foundations, to be responsible mainly for the development of a capacity for, and the support of, curiosity-oriented basic research in universities and similar institutions. It is suggested that the board report to the Secretary of State. Related to this recommendation is another that the three foundations cover the physical sciences, the life sciences and social sciences and humanities and bear the full cost of the projects and programs they support.

Honourable senators will appreciate that these two recommendations have very far-reaching implications, not the least of which involves the complete separation of free basic research, mission-oriented basic research, and what is called applied research. Such a step must be carefully examined in the light of the views of many agencies and scientific disciplines, and I think Mr. Gillespie, the Minister of State for Science and Technology, has emphasized this on several occasions since the report was issued. At the same time these steps would involve the separation of the National Research Council's granting function from the laboratories. Such a separation, of course, has been proposed several times in the past.

Apart from these considerations, the Senate committee's recommendations also would mean changes in the legislation respecting the three granting councils, the National Research Council, the Medical Research Council, and the Canada Council.

A few moments ago I mentioned the three foundations proposed for the support of what is called "curiosity-oriented basic research". The committee's report makes four proposals about the guiding principles of these foundations. It says they must emphasize quality rather than quantity in developing and supporting research. I think that generally speaking the National Research Council and the Medical Research Council have recognized the importance of emphasizing quality rather than quantity. They support and encourage the development of centres of excellence by means of negotiated development grants and group grants. I do not pretend to have any expertise in these fields, but I did have a very close association as Minister of National Health and Welfare with both these bodies, and I can strongly support the statement that they have—whatever should be done in the future—placed a great emphasis on quality rather than quantity, and that the negotiated development of grants, particularly the medical grants, over the years has been pursued with great care and, I think, with productive results.

This does not mean that all institutional arrangements are fully satisfactory. It is well that we should have these things called to our attention and give them the kind of examination which all institutions require at some stage in their history. I doubt if anyone would disagree with the necessity of continuing examination so that whatever may be the institution responsible for the support of basic research, these principles should be followed to develop excellence in that area.

The report suggests that post-doctoral fellowships continue to be awarded or established for maximum periods of five years; that grants be directed only to researchers with demonstrated international quality standards so that excellence can be more generously rewarded and subjected to less administrative control; and, finally, that the peer system of reviewing grants be improved where possible to ensure a high degree of impartiality and competence. These are recommendations that have been made from time to time.

• (1450)

Dr. Wilder Penfield, I know, used to insist that when the number of annual grants by government to institutions was restricted it prevented their proper planning and the like. But how to get over the difficulties which a parliamentary system poses, in annual appropriations by Parliament, I do not know.

A number of recommendations have to do with the manpower situation—our stock of qualified scientists and engineers. As honourable senators know, the Ministry of State for Science and Technology, under Mr. Gillespie, has been given a definite mandate by the government to initiate surveys of the supply of and the demand for highly qualified manpower. It is expected that sound esti-

mates of our stock of highly qualified manpower should be available in late 1974 in a form that can be brought up to date annually thereafter. In addition, the demand picture will be examined every second year to determine the qualifications of individuals who eventually fill job vacancies. Together with job vacancy surveys now being done, this should provide a better idea of the changes in demand.

This type of information is closely related to several of the recommendations of the Special Senate Committee on Science Policy dealing with the research foundations. The committee has urged that the foundations apply the criterion of social merit to their support, that they avoid undesirable duplication with work done elsewhere in the country or abroad, and that they ensure the projects are related and relevant to the Canadian science scene. They should also, in the committee's view, reject big science projects, as they are called, to be carried out with Canadian support alone. It is perhaps important to note that the committee placed some emphasis on Canada not getting into big science alone. That does not mean big science should be out, they argue; it merely means that wider support than just that of the Canadian government may be more appropriate.

In some of our relations with other countries, it is suggested that co-operative projects, or joint projects, would be of benefit to Canada, and to, for example, Japan and Belgium, with which countries we have exchange of scientific arrangements. This country has an active and growing program of external relations in matters of science and technology, and it is possible that co-operative efforts in big science may some day figure as part of the activity of these international arrangements.

The committee has also proposed that during this decade the order of priority for government support of what is called curiosity-oriented basic research should be, first, the social sciences and the humanities and, secondly, the life sciences, especially those related to human health. Both of these areas are generally recognized as deserving a higher priority than they enjoy at the moment.

Among the tasks now being undertaken by the Ministry of State for Science and Technology is a review to determine whether a greater proportion of basic research can be done in the universities. This follows closely the committee's suggestion that basic research activities of government agencies be examined to see if they are justified, and if so to consider whether some of them could be advantageously transferred to the universities. In addition, of course, the ministry is examining the criteria which should guide the support of basic research.

An area in which it is more difficult to make a judgment is that of the proposal that more of the basic research activities of the government be concentrated in a national research academy under institutes of the physical sciences, the life sciences, and the social sciences. There may be disadvantages in isolating researchers engaged in basic research from the department's responsible for carrying out specific missions. The conduct of applied research may require that some basic research be associated with it.

Honourable senators, I have followed in a general way some of the committee's recommendations, more or less in sequence.

We come now to another of the major targets proposed, that research and development activities performed by the industrial sector be substantially increased, so that by 1980 they represent a maximum of about 60 per cent of the national R and D effort.

This is a recommendation which has been made in this form by many bodies. This committee is not the first to make it. It was made by the Glassco Commission and, as the committee itself notes, it was made by the Economic Council and by OECD, although none of these set a specific percentage. These are responsible and thorough bodies, as is the committee of the Senate, and considerable weight must be attached to their recommendations.

We come now to recommendations aimed at obtaining the views of the secondary manufacturing industries and of resource-based and primary manufacturing industries. The special committee has proposed that the Minister of Industry, Trade and Commerce organize task forces in the secondary manufacturing sector, with proper labour and management representation, to examine problems of scale and specialization and, within a year, to prepare a plan to improve the efficiency, the innovative capacity, and the international competitiveness of individual firms through mergers or otherwise.

A chairman and small secretariat would be supplied, it is suggested, by the Minister of Industry, Trade and Commerce, who would also be chairman of the special cabinet committee to receive the task force reports. Chairmen and secretariats of the task forces would form an office of industrial reorganization to assist the cabinet committee.

A consideration which comes to mind in this regard is the extent to which the proposed Competition Act would affect such arrangements as mergers, even those designed to improve efficiency, innovative capacity, and international competitiveness. So much for the recommendations for secondary manufacturing task forces.

Honourable senators, I turn to the proposal for somewhat similar bodies in resource-based and primary manufacturing industries. The special committee recommends that these be organized by the Minister of Energy, Mines and Resources. Among their tasks would be an examination of innovative and R and D performance and, again, they would be expected within a year to prepare a plan to improve performance so as to economize resources, utilize wastes more efficiently, reduce costs of production, discover new uses for their products, and further process these products in Canada for export.

In the field of manpower, the first steps already are being taken along the lines recommended by the special committee. For example, the Ministry of State for Science and Technology is taking a lead in a survey of highly qualified manpower to determine the numbers and distribution of qualified scientists and engineers. These studies also will be conducted so as to provide indicators of qualifications and training needed in the light of government decisions for industrial R and D and innovation in the 1970s.

It is useful to have the views of the academic and industrial sectors about their complementary roles in the national science, technology and innovation effort. A conference for this purpose, as well as others, is among the special committee's recommendations. Such a national conference is envisaged as helping to identify ways and means for industry and academic sectors to help each other, and to help others to accomplish their missions better, and to devise a possible permanent liaison and system for co-operation.

• (1500)

The special committee proposes that the Ministry of State for Science and Technology also should play a leading part in upgrading management training, through the formation of a committee composed of representatives from Canadian university schools of management and the Canadian Research Management Association. The aim would be to develop a training program for R and D managers and a research program on the organization of R and D activities, and of innovation strategies.

Other areas in which action has been taken include the important questions of the extent to which research should be done in-house or contracted out to industry and the universities. The Ministry over which Mr. Gillespie presides is reviewing now the criteria against which the government will be able to judge what research and development programs should be conducted in government laboratories, and what should be contracted out.

My colleague has said publicly that contracting out applied research and development to industry has great appeal to him because it takes place where the economic benefits can be realized. This, or course, presupposes a review of in-house R and D programs as proposed by the special committee.

Finally, the committee has proposed that a year from now a new crown company be created to be called the Canadian Industrial Laboratories Corporation, with a strong industrial representation on its board and committees, and a growing industrial contribution in its financing. The committee's intention is that laboratories operated by government departments and agencies which conduct research and development for secondary and services industries and for mining and power utilities be placed under this proposed new crown agency, responsible to the Department of Industry, Trade and Commerce. This has very extensive implications and requires careful study.

Many of the recommendations of the special committee's report have been touched on, more or less lightly, during these remarks. There are others that are now being examined and at the appropriate moment, the minister undoubtedly will have more to say about this. The many questions raised and decisions required will not all be dealt with in a few days, weeks, or even, in some cases, months. The committee, however, has given us much material for examination and its members, who have worked very hard and produced a notable series of documents, may be assured that the government's interest in this matter will be continued.

The Hon. the Speaker: This item is now considered debated.

BUSINESS OF THE SENATE

Hon. A. Hamilton McDonald: Honourable senators, before the adjournment of the house is moved I would like to remind honourable senators that when we rise this afternoon the Standing Senate Committee on Agriculture will meet.

The Senate adjourned until tomorrow at 2 p.m.

25312—36

THE SENATE

Thursday, June 29, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of Defence Construction (1951) Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Agricultural Stabilization Board for the fiscal year ended March 31, 1972, pursuant to section 14 of the Agricultural Stabilization Act, chapter A-9, R.S.C., 1970.

Report of the Agricultural Products Board for the fiscal year ended March 31, 1972, pursuant to section 7 of the Agricultural Products Board Act, chapter A-5, R.S.C., 1970.

Extract from the Minutes of meeting of the Standing Senate Committee on Internal Economy, Budgets and Administration, held on Wednesday, June 28, 1972, covering revised rates of pay of certain classifications of employees of the Senate. (English text).

ADULT OCCUPATIONAL TRAINING ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Chesley W. Carter, Acting Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-195, to amend the Adult Occupational Training Act, and had directed that the bill be reported without amendment.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Flynn: At the next sitting of the Senate, unless there is to be royal assent this evening.

Hon. Mr. Martin: We will sit tomorrow morning and there will be royal assent in the afternoon.

Hon. Mrs. Norrie moved that the bill be placed on the Orders of the Day for third reading at the next sitting of the Senate.

Motion agreed to.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, reported that the committee had considered Bill C-204, to amend the Canadian Wheat Board Act, and had directed that the bill be reported without amendment.

He said: Honourable senators, this is the first report to be presented by the newly constituted Standing Senate Committee on Agriculture.

Hon. Mr. Flynn: The first of the first.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Argue moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

• (1410)

SENATE ACCOUNTS

FIRST REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

Hon. Donald Smith: Honourable senators, the Standing Committee on Internal Economy, Budgets and Administration makes its first report as follows:

Your committee to which were referred on 31st May, 1972, the Clerk's Accounts, being a detailed statement of his receipts and disbursements for the fiscal year 1971-72, reports as follows:

Your committee has examined the above statement and supporting statements and find them to be in accordance with the estimates submitted by the Senate and the authority necessary for the purpose. We have received all the information and explanations which we have required. A letter from the Clerk, certifying that the accounts were audited by the Auditor General and that the proper authority exists for all payments made, is attached. Although a detailed examination of all increases was not made, we would state that the sums expended appear to be in keeping with the duties of and the tasks undertaken by the Senate and its committees, standing and special.

Your committee must again call the attention of the Senate, as we did in our last year's report, to the excessive printing costs. The accounts in our opinion are bearing a disproportionate load of the cost of the printing, notwithstanding the fact that printing charges have decreased by $361,391.70 due to reduced committee activity. The total cost of printing, $591,283.76, is broken down as follows: Debates of the Senate, $171,656.40; Committees—Standing and Special $329,423.54; Senate Minutes and Journals, $65,592.79; Other Printing, $24,611.03.

All these moneys are paid to the Canadian Government Printing Bureau.

The overall net increase in expenditures compared to the fiscal year 1970-71 is $539,059.82. This is a result of additional benefits to senators, staff salaries and the acquisition of new equipment, furniture and fixtures for the Senate.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Smith moved that the report be taken into consideration at the next sitting of the Senate.

Motion agreed to.

INTERNAL ECONOMY

BUDGET OF POVERTY COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Special Senate Committee on Poverty for the proposed expenditures of the said Committee on Poverty with respect to the winding up of the study on matters referred by the Senate to the said Special Committee on Poverty on February 22, 1972.

SUPPLEMENTARY BUDGET OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the supplementary budget presented to it by the Chairman of the Standing Senate Committee on Legal and Constitutional Affairs for the proposed expenditures of the said Committee on Legal and Constitutional Affairs with respect to its examination of the Parole System in Canada, referred by the Senate to the said Committee on Legal and Constitutional Affairs for examination and report on November 30, 1971, and February 22, 1972.

BUDGET OF FOREIGN AFFAIRS COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Foreign Affairs for the proposed expenditures of the said Committee on Foreign Affairs with regard to its examination of the Canadian relations with the expanded European communities, referred by the Senate to the said Committee on Foreign Affairs for examination and consideration on March 16, 1972.

BUDGET OF BANKING, TRADE AND COMMERCE COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce for the proposed expenditures of the said Standing Senate Committee on Banking, Trade and Commerce, with regard to its examination of any bills based on budget resolutions relating to income tax, in advance of the said bills coming before the Senate, for examination and consideration on May 16, 1972.

BUDGET OF SCIENCE POLICY COMMITTEE TABLED

Hon. Donald Smith: Honourable senators, as Chairman of the Standing Senate Committee on Internal Economy, Budgets and Administration, I desire to table the committee's report approving the budget presented to it by the Chairman of the Special Senate Committee on Science Policy for proposed expenditures of the said Special Committee on Science Policy with regard to its work during the fiscal year 1972-73, on matters referred by the Senate to the said Special Committee on Science Policy, on February 22, 1972.

ADJOURNMENT

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until tomorrow at 11 a.m.

Hon. Mr. Flynn: Leave is granted.

Hon. Mr. McDonald: Perhaps a word of explanation is in order. Trying to predict what will flow to us from the other chamber at this stage of the session is like playing Russian roulette.

Hon. Mr. Flynn: It is frightening.

Hon. Mr. McDonald: However, there is a possibility that one or two bills may come to us later today. For this reason it was thought best that we reassemble at eleven o'clock tomorrow morning. The Standing Committee on Internal Economy, Budgets and Administration will meet when the Senate rises this afternoon, and it is hoped that it can conclude its work today.

I hope our assessment of the situation is as accurate as all of us would like it to be, and that we will be busy tomorrow.

Hon. Mr. Flynn: You are not being difficult.

Motion agreed to.

LABOUR RELATIONS

LONGSHOREMEN'S STRIKE IN PROVINCE OF QUEBEC—QUESTION

Hon. Jacques Flynn: Honourable senators, may I ask the Leader of the Government if he expects that special legislation concerning the strike of the longshoremen in the harbours of Montreal, Trois Rivières and Quebec City may come to us in a hurry tonight, tomorrow, Sunday or Monday?

Hon. Paul Martin: I am not in position to say. The Minister of Labour has been working assiduously on this matter, trying to encourage a settlement between the parties. I may have more to say tomorrow. In the meantime, I should like to discuss this matter privately with the Leader of the Opposition.

HEALTH, WELFARE AND SCIENCE

COMMITTEE INSTRUCTED TO STUDY LABOUR-MANAGEMENT DISPUTES AFFECTING PUBLIC SERVICES

The Senate resumed from Tuesday, June 20, the adjourned debate on the motion of honourable Senator

Haig that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Hon. J. Campbell Haig: Honourable senators,—

The Hon. the Speaker: If the honourable Senator Haig speaks now, his speech will have the effect of concluding the debate on this motion.

Hon. Mr. Haig: Honourable senators, we have had a very interesting discussion on this motion, in which Senators Buckwold, Forsey, Lawson, Goldenberg and McElman have taken part. When I introduced this motion on March 7, I referred only to matters coming under federal jurisdiction. Certain senators who have spoken here, or who have talked to me privately, have indicated that the provincial and municipal authorities have had the same problem. It must be recognized, however, that this house can deal only with matters coming under federal jurisdiction.

Some senators suggested that a special committee be set up. I do not quarrel with that idea, but under our rules the Committee on Health, Welfare and Science is deemed appropriate to deal with labour relations.

It has been mentioned also that since the introduction of this motion certain persons have been summoned to this chamber who are extremely knowledgeable in matters affecting labour relations. There is no reason why they could not be included in any committee, whether special or standing.

Honourable senators, my sole purpose in bringing this matter to your attention, and in having the different viewpoints expressed, was to emphasize that which has been indicated by the general thrust of those senators who have spoken, that is, that a change must be made in labour-management relations which affect the innocent public.

Senator Goldenberg indicated that there will be a new Labour Code. That may be so, but we have not got it yet. In the meantime, I really wished to bring to the attention of this chamber these important considerations which do affect the public. Senator Goldenberg stated, as reported in Senate *Hansard* at page 509:

> Senator Haig's motion has produced a useful debate.

I am very happy to hear that. That was my sole purpose in bringing this matter forward. I hope the motion will be passed.

The Hon. the Speaker: It is moved by honourable Senator Haig, seconded by honourable Senator Buckwold, that the Standing Senate Committee on Health, Welfare and Science be instructed to examine and report upon the efficiency of existing federal legislation in bringing about the settlement of labour-management differences and disputes in areas affecting public services.

Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Speaker: There is uncertainty as to the opinion. I may have to call in the honourable senators.

[Hon. Mr. Martin.]

• (1420)

Hon. Mr. Flynn: May I, with leave of the Senate, just make one suggestion?

The Hon. the Speaker: Is it agreed that honourable Senator Flynn speak now?

Hon. Senators: Agreed.

Hon. Mr. Flynn: Even if we adopt the motion now, it is obvious that the Senate committee will not be able to do anything. In my opinion the wise thing to do would be to adopt the motion in principle and agree to reconsider it when we reconvene, whether in a new Parliament or otherwise. It is simply a question of procedure that some of us disagree with, not a question of principle. Therefore, I suggest that the motion be adopted but that nothing be done about it until Parliament reconvenes.

Hon. Mr. Martin: I do not disagree, generally, with what the Leader of the Opposition has said. During the course of the debate it was pointed out that there would have to be modifications in the wording of the resolution to fit, really, the full situation.

Hon. Mr. Flynn: I agree.

Hon. Mr. Martin: And if it could be understood that we are not bound to the precise wording of this resolution—

Hon. Mr. Flynn: Nor even the committee.

Hon. Mr. Martin: Nor even the committee, that is right, but that we are in agreement on the principle, then I think with those general conditions we can agree to look into the situation at some future time. It will not be in the precise terms of this motion, but we will be willing to examine the question.

Hon. Mr. Haig: I fully agree with the Leader of the Government. All I wanted to do, as I have explained several times before, was to have a discussion on this matter. The method and the wording are immaterial. Therefore, I respectfully request that the motion be passed.

Hon. Mr. Martin: Yes, I think it can be passed, bearing in mind the implication of our two observations.

Hon. Mr. Flynn: Yes.

Motion agreed to.

AIR TRANSPORT

CONVENTIONS ON UNLAWFUL SEIZURE OF AIRCRAFT AND UNLAWFUL ACTS AGAINST CIVIL AVIATION—INQUIRY REINSTATED—DEBATE CONCLUDED

Hon. A. Hamilton McDonald: Honourable senators, it has been brought to my attention that Order No. 4 on our Order Paper of yesterday was removed because apparently no one wanted to speak on the matter. The order was as follows:

> Resuming the debate on the inquiry of the Honourable Senator Martin, calling the attention of the Senate to the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague December 16, 1970, and the Convention for the Suppression of Unlawful Acts against the Safety of Civil

Aviation, done at Montreal September 23, 1971, which were tabled in the Senate on Monday, 26th June, 1972.

In the meantime I have been informed by Senator Lawson that, in fact, he would like to speak on this subject. The only way he can do so now is if unanimous consent is given to reinstate the order. Therefore, I ask for unanimous consent to have the order reinstated so that Senator Lawson can speak on it now.

The Hon. the Speaker: Senator McDonald's request has two aspects to it. In the first place he is asking to have the inquiry reinstated and in the second place, if I understand correctly, he is suggesting that we proceed with that inquiry before proceeding with the remaining orders on the Order Paper. Is my understanding correct?

Hon. Mr. McDonald: That is correct, Mr. Speaker.

Hon. Mr. Flynn: Consent is always given for good purposes, Senator McDonald.

Hon. Mr. Argue: At the end of the session.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Hon. Edward M. Lawson: Thank you for your indulgence, honourable senators. My remarks will be brief.

I read with interest the remarks of the honourable Leader of the Government and I endorse those remarks. I read also with considerable interest the remarks made yesterday by the honourable Leader of the Opposition, Senator Flynn. I support those remarks as well. I think it is highly necessary that these two conventions be adopted, and I congratulate the government on the speed with which they did adopt these two conventions.

It is imperative that at the international level negotiations continue regarding those countries that give leave or places for people to hide who are involved in air piracy. But I wonder if we have done enough domestically. Of all the flights I have made in Canada in recent months, only on one occasion, and that was this week in Toronto, was there the type of search made that would have the effect of discouraging an attempt to hijack the plane. We were confronted at the airport in Toronto by four members of the RCMP, two of whom used metal detectors to give us a thorough frisking, up and down, and inside and outside our coats. Then we went to a table where we had our hand baggage examined thoroughly. As I say, so far as I am concerned this was the first time in Canada where such a thorough search has taken place.

Hon. Mr. Benidickson: I had the same experience last week.

Hon. Mr. Lawson: It seems to me that on all other occasions, whether by hand baggage or by other means, I could have carried arms or weapons or hand grenades or dynamite on board the plane had I so wished. In the line-up I heard one passenger complain, somewhat vigorously, about this invasion of his privacy, and I reject that type of criticism because it seems to me that redirecting the plane to a destination that I have not contracted for is an invasion of my privacy, and it seems to me that the prospect of injury or suffering or anguish for members of my family or the families of other passengers is an invasion of privacy. I think that not only is there not too much of this type of thorough examination, but there just is not enough.

Honourable senators, we must put an end to this other myth, this romantic attachment to the extortion principle where large amounts of money are taken, and to this patently asinine point of view that one hears expressed, "Oh, well, it is the airlines and they can well afford to pay out these hundreds of thousands of dollars because they have all kinds of money." In my view we must bring home as forcibly as we can the realization that these large amounts of extorted moneys are not in fact being paid by the airlines but are being paid by you and by me and by the other passengers of these planes. We need to put an end to that kind of romantic idea.

In this connection I should like to address a query to the honourable Leader of the Government: Would it be possible to have one of our committees, whether it be the Transport and Communications or one of the other committees, look into this situation, or would it be possible to have consultation with the Minister of Transport on this matter? Personally I should like to have the benefit of hearing from representatives of the Canadian Air Line Pilots Association. I should like to have the benefit of hearing from the representatives of the airlines themselves, and I should like to see the wisdom and the experience of honourable senators from this chamber brought to bear in the deliberations of such a committee to see what steps could be taken to ensure that we should have, if necessary, compulsory or mandatory inspection at all international airports in the country. If this means having to surrender your hand baggage and have it placed under lock and key on the airplane, or if it means being subject to inspection on each trip that you make by plane, I would not consider that as an invasion of privacy.

Honourable senators, it seems to me to be sheer folly to have all these conventions and treaties negotiated in an effort to solve the problem at that level if we still leave open and vacant the opportunity for anyone to board a plane armed to the teeth or carrying weapons in hand baggage. I think it is a sad commentary that an illegal strike receives such universal praise, and that was an illegal strike by the airline pilots. It is a sad commentary that they were forced to take that kind of action to focus attention on the real problem. I am sure it resulted in a financial loss to the pilots of millions of dollars. It seems to me that it would have been better had we had the benefit of their experience to help determine what procedures should be adopted to ensure that at the very first stage, when people enter an aircraft, there is no opportunity for hijacking.

• (1430)

Hon. Mr. Laird: Honourable senators, as sponsor in the Senate of the Criminal Law Amendment Bill, 1972, which made it an indictable offence to hijack an aircraft or endanger the safety of aircraft in flight, and so on, I wish to draw Senator Lawson's attention to the fact that we offered to hear representations from the Canadian Air Line Pilots Association when that bill was before our committee. They, quite frankly, said no, that they had had their say before the appropriate committee of the House

of Commons and they did not wish to appear before our committee.

Hon. Mr. Goldenberg: Honourable senators, I would like to add to the explanation given by Senator Laird. Captain Simpson, the President of the Canadian Air Line Pilots Association, of whom Senator Lawson was speaking, authorized me to tell the Senate committee that they approved of the legislation as drafted and which we adopted. They were very happy with it.

Yesterday I flew from Montreal with Captain Simpson—we happened to be on the same plane—and again he told me that they wanted to thank the Parliament of Canada for what had been enacted, and that it was very helpful to them in meetings they were having with pilots in other countries.

Hon. Mr. Flynn: If we are going to deal with the entire situation respecting Bill C-2 and the problem of hijacking, I would say that the reason we were invited to pass the bill without amendment was to prevent a strike by the pilots. However, it occurred just the same.

Hon. Mr. Martin: Honourable senators, I am sure we all share the concern of Senator Lawson. The Minister of Transport has stated in the other place on at least two occasions that he did not wish to discuss openly at this stage the details of the security program on which he is working, but that he would be willing to discuss the matter with any member of Parliament from either house. I will arrange such a meeting, if necessary today, for Senator Lawson or any other honourable member who might wish to meet with the minister to discuss what is being contemplated.

The Hon. the Speaker: This inquiry is now considered debated.

Hon. Mr. Flynn: I think you mean exhausted.

ADJOURNMENT

Hon. Mr. Martin: Honourable senators, as there is to be an important meeting of the Standing Committee on Internal Economy, Budgets and Administration when the Senate rises, I move that the house do now adjourn.

Hon. Mr. Flynn: I understand that the preamble is not part of the motion.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, June 30, 1972

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

REPRESENTATION COMMISSIONER ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-203, to amend the Representation Commissioner Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. McDonald: With leave, later this day.

Hon. Jacques Flynn: Before we consider the request of the deputy leader, I should like to hear from him or from the Leader of the Government, as to what the intentions of the government are with regard to the business before us today.

Honourable senators will appreciate that some bills are of less importance than others. Before giving leave, I should like to know where we are going.

Hon. Paul Martin: There is a motion in the other place for an adjournment of that house tonight. That motion, of course, does not affect our decision to stay for as long a period as we wish to consider whatever bills we now have before us, or whatever bills might come to us. However, it has been decided in the other place not to proceed with that motion at 11 o'clock because of developments in Montreal, and we will not know about those developments until some time during the course of the afternoon.

Even if the other place does adjourn today, it is not impossible, depending on the progress made, for us to receive the bill to amend the Canada Labour Code, but that is something I really cannot foresee. I have my doubts about the progress that will be made on it. I know that it is hoped to pass the bill. As I told the Leader of the Opposition earlier this morning, just as soon as I know about the situation in Montreal I will certainly confer with him.

Hon. Mr. Flynn: Could we defer the question of leave for the time being, and consider the other problems?

Hon. Mr. Walker: What about the foreign takeovers bill? Have you any information on that?

Hon. Mr. Martin: I certainly do not think it will come to us today. I would not preclude its coming next week. If the other place sits next week to deal with the situation in Montreal that I mentioned, I suppose they might deal with other matters as well, but that is for them to decide.

The Hon. the Speaker: Honourable senators, it is moved by the honourable Senator McDonald, seconded by the honourable Senator Bourget, that this bill be read a second time later this day.

Hon. Mr. Flynn: No. This matter is in abeyance. We are leaving the matter on the understanding that the bill has been read the first time, and no motion is made for second reading for the time being.

Hon. Mr. Martin: That is right.

• (1110)

Hon. Mr. McDonald: Honourable senators, I think the proposal of the Leader of the Opposition is a good one, in that when this bill appears again in the Orders of the Day we can ask for leave at that time to move that it be read the second time.

Hon. Mr. Grosart: Honourable senators, may I say to the sponsor of the bill that when he requests leave, my support might be conditional on hearing a clear statement about the time the bill was introduced in the House of Commons, and the approximate number of sittings of the House of Commons and of committees of the House of Commons at which the bill was discussed. I say that in order to give him an opportunity to obtain the information. That might apply also to any other requests for leave.

Hon. Mr. McDonald: Do you want that information now, or when we ask for leave?

Hon. Mr. Flynn: Not now. When you ask for leave.

Hon. Mr. Grosart: I say, when leave is requested, my response to that request might be conditional on having that information.

Hon. Mr. McDonald: Very well.

The Hon. the Speaker: Honourable senators, I want to be very clear as to the present standing of this bill.

Hon. Mr. Flynn: To clarify the matter, let us say that the motion is for second reading at the next sitting of the Senate. With leave, we can revert to the motion for second reading later this day.

Hon. Mr. McDonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PENSION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-215, to amend the Pension Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Carter: With leave, now.

Hon. Mr. Flynn: No. Next sitting.

The Hon. the Speaker: Is it next sitting, or later today?

Hon. Mr. Martin: It will be later today, with leave, when we come to the bill.

Hon. Mr. McDonald: Honourable senators, I wonder if we could be clear on this? In not asking for leave to proceed at this time, it is my understanding that we will have a continuation of this sitting later today, and at that time we will ask for leave to proceed with this bill.

Hon. Mr. Flynn: Yes.

Hon. Mr. Grosart: I would say to the deputy leader that there is a great difference between the phrases covering dealing with this bill "at the next sitting" and "at a continuation of this sitting." He may wish to take that into consideration.

Hon. Mr. McDonald: I do not know the technical term to use for a continuation later this day, but that is what I have in mind.

Hon. Mr. Flynn: Honourable senators, may I put this clearly? "At the next sitting" would normally mean on Monday or Tuesday next. That does not prevent any honourable senator later today asking leave to proceed with second reading at that time, despite the decision to proceed only at the next sitting.

Hon Mr. Martin: That is right.

Hon. Mr. McDonald moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-5, to amend the Farm Credit Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Michaud: At the next sitting.

The Hon. the Speaker: Is it agreed, honourable senators, that this bill be dealt with in the same manner as the two previous bills?

Hon. Mr. Flynn: At the next sitting.

Hon. Mr. Michaud moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Atomic Energy Control Board of Canada for the fiscal year ended March 31, 1972, pursuant to section 20(1) of the Atomic Energy Control Act, chapter A-19, R.S.C., 1970

Report, dated June 5, 1972, of the Restrictive Trade Practices Commission under the Combines Investigation Act relative to the sale, distribution and supply of beer in Ontario.

Report of the President of the National Research Council for the fiscal year ended March 31, 1972, pursuant to section 16 of the National Research Council Act, chapter N-14, R.S.C., 1970.

Report of Canadian Patents and Development Limited for the fiscal year ended March 31, 1972, including its accounts and financial statements certified by the Auditor General, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Copies of a document entitled "Expanded Guidelines for Northern Pipelines".

Report of the Canadian Overseas Telecommunication Corporation, together with its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 16 of the Canadian Overseas Telecommunication Corporation Act, Chapter C-11, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Army Benevolent Fund Board for the fiscal year ended March 31, 1972, pursuant to section 13 of the Army Benevolent Fund Act, chapter A-16, R.S.C., 1970, including its accounts and financial statements certified by the Auditor General.

Report of the Northern Canada Power Commission, including its accounts and financial statements and the Auditor General's report thereon, for the fiscal year ended March 31, 1972, pursuant to section 24 of the Northern Canada Power Commission Act, chapter N-21, and section 75(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report respecting operations of the Medical Care Act for the fiscal year ended March 31, 1971, pursuant to section 9 of the said act, chapter M-8, R.S.C., 1970.

Report of the President of the Medical Research Council, including accounts and financial statement certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 17 of the Medical Research Council Act, chapter M-9, R.S.C., 1970.

Report of Canadian Arsenals Limited, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of Crown Assets Disposal Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 14 of the Surplus Crown Assets Act, chapter S-20, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the National Capital Commission, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report on proceedings under the Canada Labour Code, Part III (Labour Standards), for the fiscal year ended March 31, 1972, pursuant to section 75 of the Canada Labour Code, chapter L-1, R.S.C., 1970.

First Annual Report of Uranium Canada, Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1971, pursuant to sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Report of the Department of Energy, Mines and Resources for the fiscal year ended March 31, 1971, pursuant to section 5 of the Department of Energy, Mines and Resources Act, chapter E-6, R.S.C., 1970.

Report of the Department of the Secretary of State of Canada for the fiscal year ended March 31, 1970, pursuant to section 6 of the Department of State Act, chapter S-15, R.S.C., 1970.

Report of the Canadian Radio-Television Commission for the fiscal year ended March 31, 1972, pursuant to section 31 of the Broadcasting Act, chapter B-11, R.S.C., 1970.

Report of the National Librarian for the fiscal year ended March 31, 1972, pursuant to section 13 of the National Library Act, chapter N-11, R.S.C., 1970.

ADULT OCCUPATIONAL TRAINING ACT

BILL TO AMEND—THIRD READING

Hon. Margaret Norrie moved the third reading of Bill C-195, to amend the Adult Occupational Training Act.

She said: Honourable senators, I just wish to point out that in committee certain material was asked for that was not on hand at the particular moment. That information has now been forwarded to us by Mr. H. John Meyer of the Manpower Training Branch.

Mr. Meyer writes as follows:

As promised during this morning's committee meeting on Bill C-195, I attach a set of five tables showing by region the placement and employment of persons who received skill training under the Adult Occupational Training Act. The tables provide a breakdown by major course (occupational) group and show a cumulative summary for a 12-month survey period ending April-May 1971.

In the columns are given for each major course group actual numbers and, below it, the percentage relationship.

Unfortunately, a national aggregation is not available at this time. However, the content of the tables can be summarized as follows:

	Employed %	Not Employed %
Atlantic Region	73.1	26.9
Quebec Region	78.2	21.8
Ontario Region	67.0	33.0
Prairie Region	79.6	21.4
Pacific Region	73.7	26.3
Canada	74.6	25.4

Of those not employed within three months of completion of training approximately 20 per cent did actively seek work.

The survey results do not yet include information which shows the relative success in obtaining employment upon completion of training between age groups, for instance, the age group 20-30 as compared to the age group 40-50. I regret that this information cannot be provided.

I have other quite comprehensive material which I would be happy to provide for your information, honourable senators, but I feel that it is a bit too lengthy to go into at the moment.

• (1120)

Hon. Paul Yuzyk: Honourable senators, we had a very useful discussion in committee on the operations of the manpower training program. In discussing matters with Mr. Meyer we found out that statistics dealing with the recent situation in Canada are not available on a nationwide scale. That is regrettable, particularly in view of the fact that today the manpower program has access to some of this information, at least, and I know it uses computers. The information that we have just received has helped to fill the gap, but it is obvious that it is not the type of information we really need to understand properly the operations of this program. Nevertheless, I feel that the information that we have here, particularly the statistics, is very useful in helping us to understand the operations and the problems encountered by this program right across the country. This information should be made available to this house and to anyone who may want to read the *Debates of the Senate*. Accordingly, I move that the statistics as appended to this letter be included as an appendix to the *Debates of the Senate* of this day.

The Hon. the Speaker: Is this agreed, honourable senators?

Hon. Senators: Agreed.

(For tables see Appendix "A", pp. 568-72)

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

DISTRIBUTION OF BILLS—QUESTION

Hon. Allister Grosart: Honourable senators, I rise on a point of order. We have had a number of bills brought to us from the House of Commons. I cannot say what position any other senator finds himself in, but for my part I do not have copies of these bills and I have looked carefully through the bills already provided here. I wonder if we could have copies of bills distributed as soon as possible after passage by the House of Commons so as to have them before we are asked to take them into consideration. I realize that with an early sitting it may have been difficult to have the bills printed and distributed promptly, but I should like to know when exactly we are going to have them.

Hon. Mr. Martin: Copies of the bills are being distributed now.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—THIRD READING

Hon. Hazen Argue moved the third reading of Bill C-204, to amend the Canadian Wheat Board Act.

He said: Honourable senators, before this bill is read the third time I wish to make a few brief comments. One of the important sections of this bill gives the Canadian Wheat Board authority to extend present quotas into the new crop year for individual producers who have not been able to deliver their grain because of lack of space at the local elevators. I think this is an important amendment, and if it is properly and adequately used it will guarantee every one of the 175,000 producers on the Prairies the right to market their grain to the extent of the quotas which have been established by the Canadian Wheat Board.

I shall read a short statement from the evidence of Chief Commissioner Vogel before the Standing Senate Committee on Agriculture on Wednesday, June 28. We were dealing with a situation at my delivery point where quotas were about to be cancelled, and the Canadian Wheat Board was making an extraordinary effort to provide additional boxcars so our quotas could be met. I asked Chief Commissioner Vogel:

> My question is that with the passage soon of Bill C-204 and the possibility of extending quotas, et cetera, is it really the idea of the board to make positive that every producer does in fact during the current crop year have the opportunity to deliver his full quota of the various grades of grain which he may have on hand?

He replied:

> That is certainly our objective, and we will do our utmost to achieve it. If we cannot achieve it, we will have to face up to problems that arise at that time. Perhaps, as you say, if Bill C-204 goes through, this is one way of achieving it.

It is quite clear from this statement that if there is a lack of elevator space and for that reason farmers at any given marketing point are unable to deliver their full quotas by the end of July, the board will, in fact, extend the quotas to individual producers to ensure delivery of their grain. This will indicate to the producers on the Prairies the extraordinary change in Canadian Wheat Board policy which guarantees that every producer has an opportunity to deliver his grain.

On one other occasion, in an emergency situation, the crop year was extended for individual producers. However, at that time, the grain which was delivered after the extension date was placed in a future pool, and there was considerable bickering and criticism.

I think this is an important statement made by the Chief Commissioner of the Canadian Wheat Board. It is an important provision of the bill we are now considering.

• (1130)

Hon. Mr. McDonald: I wonder if I might ask a question before the honourable senator leaves this portion of his remarks regarding quotas. I should like to ask him if this provision to which he just referred also applies to rapeseed? I know the wheat board is not responsible for the marketing of rapeseed, but they are responsible for setting the quota. It is my understanding that at the present time the general quota on rapeseed is 10 bushels per assigned acre. However, for those within delivering distance of crushing plants and who can deliver to those plants, it is 20 bushels per acre. It is my information from the committee study of this bill that there is no hope of the general quota on rapeseed being increased to 20 bushels before July 31. I should have asked in committee, but missed my opportunity, whether those producers who have not been able to deliver 20 bushels per assigned acre will have that privilege before there is any new quota, either under general conditions or the condition of delivery to crushing plants in the west?

Hon. Mr. Argue: I do not believe I am better able to answer that question than the honourable senator who posed it. We do not produce rapeseed in my part of the country. As I understand it, there are two quotas—one of 10 bushels per acre, and one of 20 bushels per acre when delivered to the crushing plant.

Hon. Mr. McDonald: That is right, but those who can deliver it to the crushing plant must be within a minimum radius of the plant.

Hon. Mr. Argue: I cannot answer the question, but I think the principle of equality of opportunity should prevail. The honourable Senator McDonald will agree with me when I say that the Canadian Wheat Board should endeavour to be consistent. In accordance with its endeavour to be consistent in its other policy statements, all rapeseed producers should be treated equally.

There was a discussion in this chamber and in the committee regarding penalties for overdelivery of the quota. The penalty through the courts is increased from a minimum of $1 to $50. There is also provision, however, whereby the wheat board itself can deal with an infraction by reducing the delivery opportunities for the producer.

The minister in charge of the Canadian Wheat Board, the Honourable Otto Lang, explained the reasoning behind this provision. He said it was similar to legislation with respect to motor vehicles, where in the case of an infraction of the law, such as a parking offence, a small penalty can be paid and there is no necessity to go through proceedings in the courts. He stated that the wheat board itself can deal with overdeliveries by reducing the quota. The representatives of the Canadian Wheat Board told us that if an overdelivery amounts to just 25 bushels, a small amount of grain, there is no endeavour to penalize the farmer.

There is a provision in the act, however, whereby the wheat board can reduce the producer's future deliveries by the amount of the overdelivery plus an equal additional amount. In other words, the penalty would be double. I inquired whether the wheat board could penalize the producer by only the amount of the overdelivery. This was my question:

> I should like to ask a question on that point. If a producer overdelivered by 100 bushels because somebody just made a mistake and the wheat board wished to take action, can it take action only to the extent of reducing his future delivery opportunity by 100 bush-

els, or do they have to add a further reduction to the value of another 100 bushels?

The minister replied as follows:

They can certainly take the former kind of action. They can simply make the reduction you indicated.

Knowing the Canadian Wheat Board and the grain business from a producer's standpoint, if a farmer overdelivered on a particular quota all that would happen in the vast majority of instances is that there would be a reduction on his next quota of a like amount. In other words, justice and equity in the quota system would be maintained. I am sure there will be no move by the Canadian Wheat Board to haul farmers through the courts because of a small inadvertent overdelivery.

In my opinion, these are very good amendments. I think they will work well. They will keep the quotas equitable, and I for one do not expect that producers will be treated in an unduly harsh manner under this legislation.

Hon. Mr. McDonald: I should like to say a word about the penalties as explained by Senator Argue. After listening closely to his remarks, I am more convinced than ever that it is wholly wrong to have this matter taken from the courts and placed in the hands of the Canadian Wheat Board. It might well be that the penalty in connection with quotas should be as the honourable senator mentioned, but we should let the courts deal with it. It is a wholly wrong principle to put the wheat board in the place of the courts. Let the courts administer the law, and let the wheat board deal with the wheat.

Hon. Mr. Argue: The honourable senator knows that if a farmer wishes to take a case to court, he may do so. That is his prerogative. If the overdelivery on one quota amounts to 50 bushels, and the farmer prefers to have the board reduce his delivery on another quota by a like amount, it will do so.

Motion agreed to and bill read third time and passed.

SENATE ACCOUNTS

FIRST REPORT OF STANDING COMMITTEE ON INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION ADOPTED

The Senate proceeded to consideration of the First Report of the Standing Committee on Internal Economy, Budgets and Administration, which was presented yesterday.

Hon. Mr. Smith moved the adoption of the report.

Report adopted.

The Senate adjourned during pleasure.

At 2 p.m. the sitting was resumed.

BUSINESS OF THE SENATE

DISTRIBUTION OF BILLS—QUESTION ANSWERED

Hon. A. Hamilton McDonald: Honourable senators, before I ask leave to proceed with second reading of Bill C-203, I should like to answer the question posed by Senator Grosart this morning with respect to the movement in the other place of the three bills which came to us today.

Bill C-203, to amend the Representation Commissioner Act, was introduced in the House of Commons on May 8, 1972. It was not brought forward there until yesterday, June 29, when the Honourable Allan MacEachen stated:

Mr. Speaker, in the remaining few minutes we could call a short bill that I have been holding in the wings for some time.

So the bill was brought forward, given second reading, referred to the Committee of the Whole and was subsequently given third reading yesterday.

Bill C-215, to amend the Pension Act, was read the first time in the other place on June 19. Second reading took one day, June 23. The bill spent one day in the Veterans Affairs Committee, June 26. The report stage and third reading took one sitting, that being yesterday.

Bill C-5, to amend the Farm Credit Act, was given first reading in the House of Commons on February 21, 1972. Second reading took six days, namely, May 2, 3, 4, 8, 9 and 10. The bill then went to the Agriculture Committee for eight days, May 30, June 1, 6, 8, 13, 15, 20 and 22. The reporting stage was in two parts, June 27 and 28, and third reading was given on June 29.

I believe that that is the information Senator Grosart wanted. Honourable senators will note that we now have copies of Bills C-5 and C-203 on our desks. Bill C-215 is the top bill on our files.

Having said that, Mr. Speaker, I would ask for leave to proceed with second reading of Bill C-203.

Hon. Mr. Flynn: May I suggest that the question of leave be discussed with regard to the three bills together, as I would have some comments to make with respect to all three.

The Hon. the Speaker: Before we proceed with the motion for second reading I think we should first deal with the matter of leave.

Hon. Mr. McDonald: In that case, Mr. Speaker, I wonder if I could ask at this point for leave for second reading of Bills C-203, C-215 and C-5?

Hon. Mr. Flynn: Honourable senators, I thank Senator McDonald for putting on the record information as to how long the other place took to deal with these three bills. I believe that information speaks for itself, and will explain, in part, the position I think I should take in the circumstances.

I may add also, with regard to the request for leave, that the situation in the other place is not entirely clear. The Prime Minister was to have moved at the beginning of the sitting this morning that when that house adjourned today it would stand adjourned until September 28. I understand that this motion will not be put until 4 o'clock. However, it is not entirely sure that it will be put even at that time because of certain matters that have been discussed, about which all honourable senators are aware.

I have had a chance to discuss this matter with my colleagues on this side of the house, and to look at Bills C-203, C-215 and C-5. The first two are very small bills. Senator McDonald has indicated that they did not require

too much time in the other place, and for this reason, and because they are quite obviously so simple, we are prepared to give leave to proceed with the second reading of them this afternoon.

Bill C-5, however, is an important piece of legislation. It required quite lengthy discussion in the other place, and I do not think it would be fair to the bill or the public, nor would it be in keeping with our responsibility as senators to proceed with it this afternoon. I suggest that we proceed with it next Tuesday night.

I suggest next Tuesday night for obvious reasons. First, it is our usual time of sitting. Secondly, this is supposed to be a long weekend, tomorrow being Canada Day, Dominion Day or Confederation Day, whatever you prefer to call it—personally I have no preference.

Monday is a national holiday. Therefore, with a weekend scheduled nationally as a holiday, I think we should not be called upon to return before next Tuesday, unless an emergency arises out of the situation we discussed this morning. That would be good reason for bringing us back earlier. We could come back on Tuesday night and deal with Bill C-5 in the normal way, if the house were in agreement with my suggestion. We on this side of the house are prepared to give leave to proceed with second reading of Bill C-203 and Bill C-215.

With regard to third reading, if we are coming back next Tuesday I would suggest that third reading be given then.

Hon. Mr. McDonald: The proposal made by the Leader of the Opposition is certainly acceptable to me, and I presume it is acceptable to the majority of honourable senators. With respect to when we return, it will be noted that on Notices of Motions this morning no motion about when we return was moved. That was because of the uncertainty existing in the other place. I am told there will be more information between three and four o'clock this afternoon. Depending on what that information is, a motion will be moved with respect to when we return, whether it be Saturday, Monday, Tuesday, or whenever it is. Before moving that motion it will be my intention to ask honourable senators for their opinion on when we ought to return, and at what time. It is much simpler to get the general agreement of honourable senators and move a motion accordingly that will suit the majority of the Senate.

• (1410)

Hon. Mr. Flynn: Let us say that unless there is emergency legislation brought in before next Tuesday evening, the motion today would be that we adjourn until Tuesday next at 8 o'clock, as usual?

Hon. Mr. Martin: Agreed.

Hon. Mr. Flynn: That is, of course, subject to the right of His Honour the Speaker to call the Senate together earlier.

The Hon. the Speaker: Honourable senators, is it agreed that Bills C-203 and C-215 are placed on the Orders of the Day for second reading today?

Hon. Senators: Agreed.

Hon. Mr. Martin: Honourable senators, I would like to add that the arrangement proposed by the Leader of the Opposition is satisfactory. He himself has envisaged the possibility of our return, for emergency reasons, if necessary, before Tuesday evening.

I hope that we will have some indication of that between four and four-thirty this afternoon. If we do not, then His Honour the Speaker has the right to call us back, as the Leader of the Opposition has pointed out, before Tuesday evening. In such a case honourable senators would, of course, be informed to that effect.

I should be in a position to say something definite about this between four and four-thirty this afternoon. I know that at that very hour the Leader of the Opposition has another assignment. Therefore, I will communicate with Senator Choquette, through Senator McDonald, around that time. I take it that we cannot put a motion for adjournment before then.

REPRESENTATION COMMISSIONER ACT

BILL TO AMEND—SECOND READING

Hon. A. Hamilton McDonald moved the second reading of Bill C-203, to amend the Representation Commissioner Act.

He said: Honourable senators, my speech in moving the second reading of this bill will be very brief—in fact, almost as short as the preamble His Honour the Speaker uses in putting the motion. This bill merely authorizes an increase in the salary of the Representation Commissioner.

As honourable senators know, we have independent commissions in each province to set the electoral boundaries and deal with other matters respecting federal constituencies throughout the country. Over all those commissions there is the Chief, the Representation Commissioner, who is the representative of each provincial commission. He has been receiving a salary of $27,000 per annum. The bill proposes that his salary in future be the same as that of a judge of the Federal Court of Canada, which is $35,000 a year.

Hon. Paul C. Lafond: Honourable senators, in a previous capacity, over a period of 25 years or so, I had close contact with the incumbent of the position we are dealing with at this time. I said "close contact", and would even say "close association" if one were to understand "association" in the same way that Senator Grosart has had contact with him over quite a few years.

Honourable senators, I feel bound to say a few words and direct your attention to the fact that over the years Parliament has been fortunate in having servants such as Mr. Nelson Castonguay, and his father before him, act in the same capacity.

Hon. Senators: Hear, hear.

Hon. Mr. Lafond: Furthermore, the increase in the salary paid to Mr. Castonguay is the same as the increase given to the Chief Electoral Officer of Canada a few years ago. At this point both positions are at the same level, and it is entirely logical that this should be done.

Another point I should like to draw to the attention of honourable senators is that the present Representation Commissioner is probably the only civil servant in Canada who has recommended to a committee of the

other place that his job be abolished. At the moment, of course, because of the problems associated with the redistribution of electoral boundaries and the automatic workings of the acts involved, he is going into a period of most intensive work which will last for the next 12 to 18 months, and I for one wish to express the assurance that he will do his job with his usual competence, and that Parliament itself will profit by it.

Hon. John M. Macdonald: Honourable senators, I certainly have no objection to the terms of the bill. I expect that the salary is being increased simply to keep it in balance with other salaries within the civil service.

There are one or two points which occurred to me. For example, I notice under section 5 of the act that:

> The Commissioner shall rank as and have all the powers of a deputy head of a department—

That causes me to wonder why he has been put on the same salary scale as a federal judge rather than a deputy head of a department.

I also notice that according to section 3:

> There shall be a Representation Commissioner who shall be appointed by resolution of the House of Commons.

That is logical. It is the House of Commons which is involved in the running of elections and, therefore, it is only right that that house should appoint the man. But then 4(1) provides:

> Subject to subsection (2), the Commissioner holds office during good behaviour but is removable by the Governor General on address of the Senate and House of Commons.

In other words, the House of Commons appoints him, but if it wants to fire him it must have the consent of the Senate.

Hon. Mr. Grosart: That is very wise.

Hon. Mr. Macdonald: It does not seem very logical to me, but I do not disagree with it.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. McDonald moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PENSION ACT

BILL TO AMEND—SECOND READING

Hon. Chesley W. Carter moved the second reading of Bill C-215, to amend the Pension Act.

He said: Honourable senators, this bill is so simple that it hardly requires any explanation at all. All it does is to add seven new commissioners to the Canadian Pension Commission. Two of these new commissioners are full-time commissioners, which raises the number of full-time commissioners from 12 to 14. The other five new commissioners are *ad hoc* commissioners appointed from year to year. The increase in number of *ad hoc* commissioners is from five to ten.

Section 10 of the act, referred to in subclause (3) of clause 1 of the bill, applies to *ad hoc* commissioners, and merely provides that an *ad hoc* commissioner is eligible for reappointment once his term of office has expired.

• (1420)

This increase in the number of commissioners is necessitated by changes made in the Pension Act last year. Therefore, to refresh the minds of honourable senators as well as for a better understanding of the matter on the part of those who may wish to read the debate in *Hansard*, perhaps I should take a minute to review the changes which were made, and which came to us in 1971 as Bill C-203. That bill made some very drastic revisions in the procedures for the adjudication of disability pension claims, and also in the machinery set up for that purpose. In addition, it increased the number of conditions under which claims might be made—in other words, under which veterans might put forward claims for disability.

Under the old Pension Act there are 12 commissioners. A veteran who felt he had a claim to a disability pension would apply to the commission. If his claim was rejected he could then ask for another hearing, a renewal hearing, and he could even go on and have three or four renewal hearings as long as he could provide new evidence at each hearing which had not been taken into consideration previously. If after a number of hearings he was still not successful in having his claim recognized, then his only recourse was to the Appeal Board of the Pension Commission, which was set up by the 12 commissioners. This was not always satisfactory inasmuch as that frequently among the members of the Appeal Board were one or two commissioners who had already adjudicated the claim of the veteran, and had taken part in its rejection.

This situation prevailed for a number of years and honourable senators will recall that in 1965 a committee called The Committee to Survey the Organization and Work of the Canadian Pension Commission was set up under Mr. Justice Mervyn Woods. It started its sittings in 1965, and reported in 1968.

The recommendations of this committee were endorsed by various veterans' organizations and the Standing Committee of Veterans Affairs of the other place, and a large number were embodied into the law, and came to us in the form of Bill C-203. Under this new legislation the commission itself was divided into three bodies. There was the body of commissioners to which a veteran would address his initial claim, and, as before, he can still ask for a second hearing or a third hearing. If his claim is rejected, then he can apply to a second body which is called the Entitlement Board. If the Entitlement Board also rejects the claim the veteran has recourse to yet another body called the Pension Review Board or the Pension Tribunal. This is a completely separate body and does not contain any commissioners who might have taken part in any previous considerations of the claim.

Not only were there great changes in procedures and machinery, but Bill C-203 also made provision for the submission of claims which were not possible under the old act, for example, under the benefit of doubt clause which had caused a great deal of concern to veterans. This clause was reworded to clarify that all reasonable

doubt had to be resolved in favour of the veteran. It also made provision for exceptional incapacity and multiple disability. These are cases where a veteran may have two or three disabilities, and each one would entitle him to a 100 per cent pension.

Bill C-203 also made provision for automatic review of all previously rejected claims back to World War I including those of widows whose husbands had submitted claims which were rejected.

All this has greatly increased the workload of the new pension commission. Far more claims were submitted than anyone ever expected.

This chamber gave third reading to Bill C-203 on March 18, 1971. It took, perhaps, two or three months to set up the machinery and put it in motion, and it has now been working for about a year. During this 12-month period the new machinery has handled about 60,000 claims for various types of benefits. The Entitlement Board has handled 6,200 claims, which initially had one or more hearings, and which, after being rejected, were referred to it. In spite of this, there exists at the present time a backlog of 8,000 cases, and new ones are arriving at the rate of 800 per month. The commissioners have said they can only deal with around 400 cases a month, which is half the rate at which they are being received. Of course, this is the reason for the backlog and why new commissioners are needed.

It has been estimated that the new administrative body can deal with 2,400 pension claims per year, which is about double the number which could be handled under the old machinery.

• (1430)

This bill, if it is the wish of the Senate, can be referred to committee. Personally, I doubt if any good purpose would be served by referring it to committee. It did go to committee in the House of Commons and only two points of any relevance were raised there. One was that if there is such a large backlog, the number of commissioners should be increased to 34 rather than 24. The answer to that is that 34 commissioners would make for a too unwieldy organization. In the second place, there would be the problem of training them, which could cause the quality of decisions to be impaired. The present chairman and his advisers feel that a total of 24 is just about all they can handle.

The second question was: Why not appoint seven *ad hoc* commissioners, rather than two full-time and five *ad hoc* commissioners? The reason is that a total of 24 commissioners will enable three entitlement boards to travel throughout the country hearing claims at points convenient for veterans. This number will also enable the three entitlement boards to travel for approximately 40 weeks of the year, and at the same time allow a sufficient number of commissioners to remain at headquarters to process initial claims.

The chairman of the commission pointed out at the committee hearing that increasing the number of commissioners beyond 24 would not necessarily increase the output. A great deal depends upon obtaining the services of a sufficient number of experienced medical advisers, and keeping the board which hears the initial claims sufficiently busy.

I do not think there are any other points arising from this bill to which I can refer at the moment. If honourable senators have questions I will do my best to answer them.

Honourable senators, I commend this bill to your favourable consideration.

Hon. John M. Macdonald: Honourable senators, I rise only to support the remarks of Senator Carter, and to tell him that we wholly approve of this bill. It is obvious that the need is there because, as he mentioned, there is a backlog of something over 8,000 applications. They are running behind at the rate of approximately 400 per month and, even with the increased number of commissioners, it will take them at least two years to catch up. The best thing we can do is to pass this bill and help the veterans as much as possible.

I agree with Senator Carter that there is no need to refer this bill to committee. Actually, if any honourable senator wishes to go into the matter further, he can consult the proceedings of the Standing Committee on Veterans Affairs of the House of Commons, which on Monday, June 26, considered this bill. I urge the passage of this bill without further delay.

Motion agreed to and bill read second time.

The Hon. the Speaker: When shall this bill be read a third time?

Hon. Mr. Carter moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, before I move the adjournment until approximately four o'clock this afternoon, I remind you that whether or not the House of Commons sits next week, the Senate will be sitting. The day of our return will depend on circumstances arising out of another situation. If those circumstances do not require us to meet earlier, we will meet on Tuesday evening at 8 p.m.

I wanted to emphasize that we shall be sitting next week, at the suggestion of the Leader of the Opposition, even though the other place may not be sitting.

I move that the house do now adjourn during pleasure until the call of the bell at approximately 4 p.m.

The Senate adjourned during pleasure.

At 4.30 p.m. the sitting was resumed.

CANADA LABOUR CODE

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-183, to amend the Canada Labour Code.

Bill read first time.

Hon. Mr. Martin moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

OTTAWA

30 June 1972

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 30th day of June, at 4.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Colonel
Administrative Secretary.

The Honourable
The Speaker of the Senate,
Ottawa.

BUSINESS OF THE SENATE

Hon. Mr. Martin: I apologize for having inconvenienced honourable senators by making them wait until this hour. I had hoped that we could have reconvened at the call of the bell at approximately four o'clock. The government has announced in the other place that it is not proceeding tonight with its motion for adjournment to September 28. Members there have agreed to adjourn until Tuesday next. I am sure it will be generally understood why that precaution is being taken.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. A. Hamilton McDonald: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until Tuesday, July 4, 1972, at eight o'clock in the evening.

Motion agreed to.

The Senate adjourned during pleasure.

• (1640)

At 4.40 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Adult Occupational Training Act.

An Act to amend the Canadian Wheat Board Act.

An Act to change the names of the Territorial Court of the Yukon Territory and the Territorial Court of the Northwest Territories.

The Honourable Lucien Lamoureux, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, July 4, 1972, at 8 p.m.

APPENDIX "A"

(*See page 561*)

ADULT OCCUPATIONAL TRAINING STATISTICS

TRAINING OUTCOMES BY MAJOR COURSE GROUP
1970 TWELVE-MONTH CUMULATIVE SUMMARY: SKILL RETRAINING
(SURVEY PERIOD ENDING: APRIL–MAY, 1971)

ATLANTIC REGION

Course group	Training outcome: Employed			Training outcome: Not employed			Response rate		
	Course occupation	Related occupation	Not related	Seeking work	Not seeking	Further training	Total respondents	Non-response	Total surveyed
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Supervisory, Para-Professional and Technical	74 21.3%	37 10.7%	158 45.5%	48 13.8%	21 6.1%	9 2.6%	347 100.0%	218 38.6%	565
Clerical, Sales, Service and Recreation	245 25.8%	119 12.5%	204 21.4%	292 30.7%	81 8.5%	10 1.1%	951 100.0%	459 32.6%	1,410
Transport and Communication	75 31.6%	9 3.8%	83 35.0%	64 27.0%	4 1.7%	2 0.9%	237 100.0%	114 32.5%	351
Farmers and Farm Workers	40 51.3%	1 1.3%	24 30.8%	7 9.0%	3 3.8%	3 3.8%	78 100.0%	57 42.2%	135
Hunting, Trapping, Fishing, Logging and Mining	96 31.3%	12 3.9%	126 41.0%	56 18.2%	14 4.6%	3 1.0%	307 100.0%	217 41.4%	524
Machining, Welding, Plumbing, Sheet Metal and Related	166 31.1%	12 2.2%	199 37.3%	141 26.4%	7 1.3%	9 1.7%	534 100.0%	262 32.9%	796
Mechanics and Repairmen	164 25.6%	26 4.0%	282 44.0%	128 20.0%	18 2.8%	23 3.6%	641 100.0%	278 30.3%	919
Construction and Other Craftsmen and Production Process	167 21.4%	29 3.7%	314 40.3%	220 28.3%	30 3.9%	19 2.4%	779 100.0%	439 36.0%	1,218
TOTAL	1,027 26.5%	245 6.3%	1,390 35.9%	956 24.7%	178 4.6%	78 2.0%	3,874 100.0%	2,044 34.5%	5,918

NOTE: Number in brackets below Course Number is approximate equivalent D.B.S. Occupational Classification.

TRAINING OUTCOMES BY MAJOR COURSE GROUP
1970 TWELVE-MONTH CUMULATIVE SUMMARY: SKILL RETRAINING
(SURVEY PERIOD ENDING: APRIL–MAY, 1971)

QUEBEC REGION

Course group	Training outcome: Employed: Course occupation	Employed: Related occupation	Employed: Not related	Not employed: Seeking work	Not employed: Not seeking	Not employed: Further training	Response rate: Total respondents	Response rate: Non-response	Response rate: Total surveyed
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Supervisory, Para-Professional and Technical	22 7.7%	23 8.1%	145 51.1%	67 23.6%	16 5.6%	11 3.9%	284 100.0%	137 32.5%	421
Clerical, Sales, Service and Recreation	300 18.2%	162 9.8%	365 22.2%	615 37.4%	157 9.5%	48 2.9%	1,647 100.0%	840 33.8%	2,487
Transport and Communication	110 68.3%	1 0.6%	33 20.5%	13 8.1%	3 1.9%	1 0.6%	161 100.0%	102 38.8%	263
Farmers and Farm Workers	373 82.9%	4 0.9%	51 11.3%	18 4.0%	1 0.2%	3 0.7%	450 100.0%	115 20.4%	565
Hunting, Trapping, Fishing, Logging and Mining	55 23.8%	15 6.5%	123 53.2%	35 15.2%	2 0.9%	1 0.4%	231 100.0%	87 27.4%	318
Machining, Welding, Plumbing, Sheet Metal and Related	46 17.9%	23 8.9%	95 37.0%	70 27.2%	10 3.9%	13 5.1%	257 100.0%	101 28.2%	358
Mechanics and Repairmen	90 12.6%	26 3.6%	302 42.2%	252 35.2%	22 3.1%	24 3.3%	716 100.0%	378 34.6%	1,094
Construction and Other Craftsmen and Production Process	194 19.2%	50 4.9%	318 31.4%	317 31.3%	114 11.3%	19 1.9%	1,012 100.0%	502 33.2%	1,514
TOTAL	1,190 25.0%	304 6.4%	1,432 30.1%	1,387 29.2%	325 6.8%	120 2.5%	4,758 100.0%	2,262 32.2%	7,020

NOTE: Number in brackets below Course Number is approximate equivalent D.B.S. Occupational Classification.

TRAINING OUTCOMES BY MAJOR COURSE GROUP
1970 TWELVE-MONTH CUMULATIVE SUMMARY: SKILL RETRAINING
(SURVEY PERIOD ENDING: APRIL-MAY, 1971)

ONTARIO REGION

Course group	Training outcome: Employed: Course occupation	Employed: Related occupation	Employed: Not related	Not employed: Seeking work	Not employed: Not seeking	Not employed: Further training	Response rate: Total respondents	Response rate: Non-response	Response rate: Total surveyed
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Supervisory, Para-Professional and Technical	47 17.7%	16 6.0%	117 44.2%	60 22.6%	20 7.6%	5 1.9%	265 100.0%	210 44.2%	475
Clerical, Sales, Service and Recreation	465 25.2%	297 16.1%	341 18.5%	559 30.4%	163 8.8%	18 1.0%	1,843 100.0%	1,471 44.4%	3,314
Transport and Communication	35 48.6%	— 0.0%	19 26.4%	17 23.6%	1 1.4%	— 0.0%	72 100.0%	56 43.8%	128
Farmers and Farm Workers	37 67.3%	3 5.5%	8 14.5%	4 7.3%	2 3.6%	1 1.8%	55 100.0%	31 36.0%	86
Hunting, Trapping, Fishing, Logging and Mining	— 0.0%	— 0.0%	1 12.5%	2 25.0%	— 0.0%	5 62.5%	8 100.0%	1 11.1%	9
Machining, Welding, Plumbing, Sheet Metal and Related	112 21.7%	45 8.7%	190 36.7%	158 30.6%	8 1.5%	4 0.8%	517 100.0%	379 42.5%	896
Mechanics and Repairmen	145 31.8%	10 2.2%	176 38.7%	110 24.2%	10 2.2%	4 0.9%	455 100.0%	414 47.6%	869
Construction and Other Craftsmen and Production Process	143 18.7%	31 4.1%	278 36.4%	268 35.1%	40 5.2%	4 0.5%	764 100.0%	617 44.7%	1,381
TOTAL	984 24.7%	402 10.1%	1,130 28.4%	1,178 29.6%	244 6.2%	41 1.0%	3,979 100.0%	3,179 44.4%	7,158

NOTE: Number in brackets below Course Number is approximate equivalent D.B.S. Occupational Classification.

TRAINING OUTCOMES BY MAJOR COURSE GROUP
1970 TWELVE-MONTH CUMULATIVE SUMMARY: SKILL RETRAINING
(SURVEY PERIOD ENDING: APRIL–MAY, 1971)

PRAIRIE REGION

Course group	Training outcome: Employed: Course occupation	Employed: Related occupation	Employed: Not related	Not employed: Seeking work	Not employed: Not seeking	Not employed: Further training	Response rate: Total respondents	Response rate: Non-response	Response rate: Total surveyed
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Supervisory, Para-Professional and Technical	81 33.9%	4 1.7%	98 41.0%	26 10.9%	22 9.2%	8 3.3%	239 100.0%	131 35.4%	370
Clerical, Sales, Service and Recreation	245 39.8%	72 11.7%	112 18.2%	106 17.2%	64 10.4%	17 2.7%	616 100.0%	448 42.1%	1,064
Transport and Communication	— 0.0%	— 0.0%	— 0.0%	— 0.0%	— 0.0%	1 100.0%	1 100.0%	—	1
Farmers and Farm Workers	47 81.0%	6 10.4%	5 8.6%	— 0.0%	— 0.0%	— 0.0%	58 100.0%	12 17.1%	70
Hunting, Trapping, Fishing, Logging and Mining	7 11.8%	— 0.0%	28 47.5%	18 30.5%	6 10.2%	— 0.0%	59 100.0%	68 53.5%	127
Machining, Welding, Plumbing, Sheet Metal and Related	74 34.4%	7 3.3%	90 41.8%	40 18.6%	3 1.4%	1 0.5%	215 100.0%	158 42.4%	373
Mechanics and Repairman	91 35.3%	6 2.3%	99 38.4%	46 17.8%	4 1.6%	12 4.6%	258 100.0%	156 37.7%	414
Construction and Other Craftsmen and Production Process	68 28.7%	3 1.3%	103 43.4%	59 24.9%	3 1.3%	1 0.4%	237 100.0%	155 39.5%	392
TOTAL	613 36.4%	98 5.8%	535 31.8%	295 17.5%	102 6.1%	40 2.4%	1,683 100.0%	1,128 40.1%	2,811

NOTE: Number in brackets below Course Number is approximate equivalent D.B.S. Occupational Classification.

TRAINING OUTCOMES BY MAJOR COURSE GROUP
1970 TWELVE-MONTH CUMULATIVE SUMMARY: SKILL RETRAINING
(SURVEY PERIOD ENDING: APRIL–MAY, 1971)

PACIFIC REGION

Course group	Training outcome: Employed: Course occupation	Employed: Related occupation	Employed: Not related	Not employed: Seeking work	Not employed: Not seeking	Not employed: Further training	Response rate: Total respondents	Response rate: Non-response	Response rate: Total surveyed
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Supervisory, Para-Professional and Technical	90 23.9%	44 11.7%	211 55.9%	27 7.1%	4 1.1%	1 0.3%	377 100.0%	144 27.6%	521
Clerical, Sales, Service and Recreation	256 34.4%	90 12.1%	155 20.9%	170 22.9%	63 8.5%	9 1.2%	743 100.0%	429 36.6%	1,172
Transport and Communication	6 31.6%	— 0.0%	8 42.1%	5 26.5%	— 0.0%	— 0.0%	19 100.0%	8 29.6%	27
Farmers and Farm Workers	21 56.8%	3 8.1%	9 24.3%	2 5.4%	2 5.4%	— 0.0%	37 100.0%	17 31.5%	54
Hunting, Trapping, Fishing, Logging and Mining	13 19.1%	1 1.5%	19 28.0%	31 45.6%	2 2.9%	2 2.9%	68 100.0%	60 46.9%	128
Machining, Welding, Plumbing, Sheet Metal and Related	63 35.8%	12 6.8%	40 22.7%	56 31.8%	2 1.2%	3 1.7%	176 100.0%	112 38.9%	288
Mechanics and Repairmen	68 28.7%	7 3.0%	98 41.3%	56 23.6%	5 2.1%	3 1.3%	237 100.0%	146 38.1%	383
Construction and Other Craftsmen and Production Process	72 28.5%	3 1.2%	89 35.2%	75 29.6%	11 4.3%	3 1.2%	253 100.0%	151 37.4%	404
TOTAL	589 30.8%	160 8.4%	629 32.9%	422 22.1%	89 4.7%	21 1.1%	1,910 100.0%	1,067 35.8%	2,977

NOTE: Number in brackets below Course Number is approximate equivalent D.B.S. Occupational Classification.

THE SENATE

Tuesday, July 4, 1972

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Proceedings of the Royal Society of Canada, 1971, and the 1971-72 Calendar, together with financial statements certified by the Auditors for the year ended February 29, 1972, pursuant to section 9 of An Act to incorporate the Royal Society of Canada, chapter 46, Statutes of Canada, 1883.

Report of the Unemployment Insurance Commission for the period April 1, 1971 to December 31, 1971, pursuant to section 130(2) of the Unemployment Insurance Act, 1971, chapter 48, Statutes of Canada, 1970-72.

HEALTH, WELFARE AND SCIENCE

ADDITION TO COMMITTEE MEMBERSHIP

Hon. A. Hamilton McDonald moved, with leave of the Senate and notwithstanding Rule 45(1)(h):

That the name of the honourable Senator Goldenberg be added to the list of senators serving on the Standing Senate Committee on Health, Welfare and Science.

Motion agreed to.

REPRESENTATION COMMISSIONER ACT

BILL TO AMEND—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-203, to amend the Representation Commissioner Act.

Motion agreed to and bill read third time and passed.

PENSION ACT

BILL TO AMEND—THIRD READING

Hon. A. Hamilton McDonald moved the third reading of Bill C-215, to amend the Pension Act.

Motion agreed to and bill read third time and passed.

FARM CREDIT ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Hervé J. Michaud moved the second reading of Bill C-5, to amend the Farm Credit Act.

• (2010)

He said: Honourable senators, the objective of the amendments to the Farm Credit Act included in Bill C-5 is to give the Farm Credit Corporation the capability to meet farmers' growing needs in long-term credit. Canadian farmers' ability to compete in domestic and world markets depends on their ability to improve their farms and take advantage of advances in farm production methods. One of the essential tools they need to make these improvements is an appropriate source of long-term credit. The bill will also provide the corporation with the power to carry out duties assigned to it with respect to administration of agricultural programs.

[*Translation*]

With regard to authorizing the corporation to carry out other functions, you know that the present legislation authorizes it solely to grant and administer farm loans, and to supervise their application. However, the corporation has a staff, selected with care, with a solid experience in the appraisal and financing of farm operations and in land transactions, which is well distributed across farm areas in Canada. Enlarging the powers of the corporation and authorizing it to administer other farm programs will enable the minister to call upon the knowledge and experience of that staff in the application of programs which require that type of specialization and administrative organization. For instance, the personnel and facilities of the corporation could be used in the application of the land transfer program under the small farms development program. That program as well as the participation of the corporation were authorized by the house under a vote by Parliament, and the corporation is considered to be particularly well equipped to do it.

Another important change deals with the amount of capital to be placed at the disposal of the corporation. The Minister of Finance is now authorized to allocate $56 million to the corporation and to loan it 25 times that amount, that is, $1.4 billion. As of March 31, 1972, the corporation disposed of an estimated $245 million. An additional $10 million will enable it to borrow another $250 million. The total amount then available, that is $495 million, should provide the capital required by the corporation for some time, perhaps 4 or 5 years, if the present rate of borrowing is maintained.

[*English*]

There is also a major change in the maximum amount of loan. As you are aware, the maximum amount of loan to an individual farmer has not been increased since 1964 when it was set at $40,000 under Part II, and $55,000 under Part III. In 1968, amendments provided for loans up to $80,000 on farms owned and operated by at least two farmers, and $100,000 maximum on farms with more than two farmers under Part II.

The present amendments provide for a maximum of $100,000 to any qualified farmer alone or jointly with others. This amendment fulfils two important needs. The investment required in most types of farming has been rising steadily. Very little long-term credit is available to Canadian farmers from other sources, and our farmers need credit in these amounts to take advantage of

improved methods so they can compete in the market with farmers of other countries.

Secondly, the existing arrangement was inequitable in many instances where a farmer might be denied an opportunity to expand his farming operations to include, say, a son or daughter merely because, at the time the opportunity arose, the son or daughter had not quite reached legal age.

With respect to age for qualification for a loan, as senators are aware, the legal age to contract has been reduced in many provinces. However, at present the legislation fixes the minimum age for qualification for a loan under the act at 21 years. The amendments will delete this reference to age of borrowers and allow the corporation to make a loan to anyone who, under provincial law, is of legal age to execute a binding contract.

Several changes are being made by these amendments which will facilitate the ability of the corporation to provide good long-term credit service consistent with farmers' progressively changing needs. For example, the subsection which concludes the purposes for which loans can be made is being amended so that loans can be made for any purpose that "will facilitate the efficient operation of the mortgaged farm." This provides somewhat more adaptability to this section so that any loans may be made for any reasonable purpose which will directly assist in the operation, maintenance or development of the farm business.

The amendments remove the requirement that Part III borrowers must obtain approval of the corporation before qualifying for a farm improvement loan. Experience indicates that this provision is no longer necessary.

A further amendment will allow the corporation to make a loan although a person other than the borrower has a right to use the buildings and building site on some of the farm land being mortgaged. This will make possible loans in some instances where a retiring farmer and his wife may wish to stay on in their home but draw out their investment in the farm land. It will allow the vendors of farms transferred under the small farm development plan to retain the use of their home without interfering with the purchasers' ability to obtain financing under the act for the purchase.

At present there is no restriction in the legislation with respect to making loans to aliens. As the intention of the legislation is to assist Canadian citizens permanently domiciled in Canada and those who intend to make their permanent home in Canada, these amendments will ensure that loans are made only to such persons.

[*Translation*]

Those are the main changes which will be incorporated into the legislation through amendments set out in Bill C-5. They are all intended to assist the Farm Credit Corporation to give the farmers services which are better adapted to their ever-increasing needs.

• (2020)

[*English*]

Hon. John M. Macdonald: Honourable senators, I wish to congratulate Senator Michaud on the very clear and detailed explanation he gave regarding the contents of this bill. I do not intend to deal with it in such detail, but I have a few general comments I wish to make at this time.

As Senator Michaud indicated, Bill C-5 contains a number of amendments to the Farm Credit Act, which is now chapter F-2 of the Revised Statutes of Canada. Some time ago the Department of Agriculture put out an explanatory statement or release concerning this bill, stressing its desirability and passing over lightly any anticipated objections to it. That statement lists 11 proposed changes of greater or lesser importance. However, I think it is fair to say that while objection was taken to various amendments, only two of the proposed changes met with strong opposition. These can be found in the printed proceedings of the House of Commons Standing Committee on Agriculture. I would like to say here that this committee certainly made a thorough and detailed study of the bill and provided ample opportunity for anyone to appear before it. The committee held eight or nine sittings altogether.

At the first meeting of that committee, held on May 30 last, the Minister of Agriculture made a concise clear summary of what he intended the amendments to do. I wish to quote from this evidence as it summarizes better than I can the effect of the various amendments. The minister said, in part:

> We want to raise the capitalization of the corporation so that we will have sufficient funds authorized by Parliament to carry on and meet the demands of the corporation for several years. The addition, of course, is an amount of $10 million to the capitalization which increases the borrowing capacity of the corporation by $250 million. This added to the $245 million that will be unexpended from previous authorization, as of about March 31, 1972, puts us in a position of having additional facilities of some $495 million. It is not possible, at this point, to predict exactly how long that will meet the requirements but certainly it will be for several years, probably five, six or eight years. Then, of course, we want to raise the upper limits from the maximum now under certain sections of the bill of $40,000 to $100,000, based on the farm unit rather than on the legal structure of how the farm is set up, whether it is a partnership, corporation or otherwise. There are a number of details with respect to changing wording, for example the purposes of the loan: that loans will be made only to Canadian citizens or landed immigrants; that there will be consideration given to the income and assets of secondary non-farming operations. There is a provision for loans to be made subject to life interests by a retiring farmer or his spouse for the farm home and a small parcel of land surrounding it. The minimum age of borrowers is being repealed and substituting in practical application at least that anyone who is or above the age of majority so they can legally enter into a contractual arrangement will be competent and capable in making an application for a loan to the corporation.

Honourable senators, at first glance there would not appear to be anything in that statement which would arouse strong criticism and objection. Yet, since there has been such objection, I referred to the release issued by the department in support of the bill. It stated that the general

objective of the bill is twofold. It is to enhance the ability of the Farm Credit Corporation to meet demonstrated long-term needs for the development of viable farm businesses. In addition, it is to provide the corporation with the powers necessary to carry out such duties or functions as may be assigned to it in relation to the administration of other programs.

The need for long-term credit is to be met by means of the additional capital and borrowing power and raising the maximum limit of loans to $100,000 to any farmer alone, jointly with others or in respect of a single farming enterprise. This amount could only be loaned under the present act to co-operative associations or others acting together. To justify this increase the release had this to say:

> The size of individual farm units is increasing steadily, labour is being replaced by capital, and the purchasing power of the dollar has decreased in recent years. Mortgage credit in the amounts and for the terms required is not available from other sources. Thus the limits for individual farm operations set in 1964 are now inadequate to meet the needs of many farmers, particularly those who wish to take advantage of more advanced technology.

In view of the fact that opposition developed to this proposal, it is interesting to note that the release mentioned that consultations were held with farmers who are members of the Farm Credit Corporation Appeal Boards in each province. It stated that the general nature of the amendments was discussed with the advisory committee composed of 10 farmers who are representatives of farm organizations located throughout Canada. It was anticipated, therefore, that farm organizations would support the bill.

In the light of these expectations it is interesting to learn of the attitude of the farm organizations. On June 1 last, representatives of the Canadian Federation of Agriculture appeared before the committee. It was stated that the federation approved all the amendments, with the exception of the maximum limit on loans of $100,000 for enterprises with more than one operator. The federation supported the increase to a maximum of $100,000 to an individual operator, but felt it was inadequate in cases where more than one individual is involved in a single farming operation. It contended that for partnerships, family-held corporations and co-operatives, the maximum should be raised to $250,000. The federation was of the opinion that larger farm units were necessary in order that a farmer and one or more of his sons would be able to own a farming operation which would permit them to live as the rest of society lives rather than be tied to the operation for seven days a week and 365 days a year. The spokesman for the federation mentioned that it would appear as though the tax legislation would slant farm operations more and more into larger enterprises for their own salvation. The federation believed that the $100,000 maximum was adequate for the single operator but could not be considered so for the partnership, family-held corporation or co-operators. It would seem logical that this be so.

Then, honourable senators, at a meeting of the committee on June 20, representatives of the National Farmers Union were present and placed their views on the bill before the committee.

• (2030)

It is interesting to note that they objected to increasing the maximum loan limit for a single operator from $40,000 to $100,000. In short, they did not see the need for it, as the average loan in 1970-71, approved by the corporation, was under $28,000.

It is also interesting to note the conclusion reached by the union:

> Our conclusion is that the philosophy which motivates this ceiling increase is centred around a desire on the part of government to further force enlargement of farms at the upper level of farm economic scale, an action which will make it more difficult for farm units of small or intermediate size to compete for resources and themselves to become more viable.

Later in their brief they said:

> We believe members of this committee are fully cognizant of the effects of proposed amendments to raise upper limits on FCC loans to $100,000. Your endorsement of proposed amendments to Bill C-5 will signal your support of policies which advocate the continuing depopulation of rural areas and the sacrifice of the family farm to technology and economic determinism. It is a position we cannnot endorse because it lacks a positive direction in protecting the equities of thousands of our farmers and fails to meet the needs of young farmers who wish to become established in farming. Both parties in our view hold higher priorities in farm credit needs than does the class of farmer seeking the upper limit of $100,000.

Honourable senators, it is interesting to note that while the two farmer organizations held contrary views on the loan limit, both were convinced that the legislation would have the effect of pushing the small farmer out of business, and, of course, the legislation makes this plain. Loans can be obtained for a farmer to purchase other farms, even if it means reserving to the vendor a life interest for himself and his wife in the farm home. Logically it must follow that the number of farms and the number of farm operators will become fewer, although perhaps this may be compensated by the fact or theory that more and more people will be needed to operate the larger unit, unless machines are used.

It is further interesting to note the different social philosophies which guide the approach of the two farm organizations to Bill C-5. We find the National Farmers Union objecting to clause 1 of the bill, which amends section 11 of the act. Honourable senators will recall that this deals with the second purpose of the bill, which is to provide the corporation with the powers necessary to carry out such duties or functions as may be assigned to it in relation to the administration of the programs. They felt that this was a means whereby public discussion and debate on the whole question of the small farm adjustment program was being circumvented. Feeling that this was a means whereby small farmers were being moved off the land, they asked the committee not to endorse the clause, and requested that further consideration await a full discussion with all interested parties on the govern-

ment's proposal or policy for farm adjustment once such policy is made known. This would appear to have been a very reasonable request.

The attitude of the provinces is important in relation to this bill as there may be duplication of services, and this should be avoided. Indeed, I take it that their co-operation, while not wholly essential, is desirable if the results wished for by these amendments are, in fact, to be obtained. Apparently, negotiations with the provinces to date have not been very successful. However, I take it from the statement by Mr. Owen, Chairman of the Farm Credit Corporation, that negotiations are to continue. In one part of his address to the committee of the other place on June 6 he had this to say:

> One of the problems in negotiations with the provinces is the question of who is going to administer what. I think I have indicated there is a feeling that the counselling service and this sort of thing can well be handled by the provinces, and that this other, the financial transaction, could well be handled by the corporation. There are other items of discussion with the provinces. What is the criteria you will use to determine if this fellow who wishes to sell is uneconomic and would be eligible for a grant? This is the thing that we do not want to pin down in a definite and detailed way until we have a chance to negotiate and come to a reasonable agreement with each province.

Honourable senators, at least two provinces registered strong objection to clause 1 of the bill. This is evident by the remarks of the Deputy Minister of Agriculture for Manitoba at the hearing on June 8 of the Agriculture Committee of the other place, and as well by the remarks of the Deputy Minister of Agriculture for Saskatchewan made before that same committee at a hearing on June 13. They were definitely opposed to clause 1 and, indeed, I would infer from their briefs that there is a deep distrust on the part of these provinces as to the motives of the federal Department of Agriculture in seeking to amend section 11 of the Act as to the use it intends to make of the expanded power of the Farm Credit Corporation.

Honourable senators, it is difficult for one who is not too well informed on agricultural matters to determine if the criticisms of this bill are valid, so I will not express any firm opinion on it. However, I do say that when we see agricultural people express disapproval of some sections of the bill, and when we see two provinces register strong objection to parts of it, and we do not appear to have before us the attitude of the other provinces, then I say that the Senate Standing Committee on Agriculture must give the bill thorough study. I realize, of course, that it would not be possible at this late date to hear representations from all concerned nor to obtain the views of the provinces. I feel the best thing to do would be for the committee to delete clause 1 of the bill in order that an amendment more acceptable to the provinces might be agreed upon. However, I realize this is not politically possible. I do suggest that the committee at a future date might make a study as to the responsibilities and the relationship between the federal and provincial governments with respect to agricultural policies for Canada.

[Hon. Mr. Macdonald.]

[Translation]

Hon. Gildas L. Molgat: Honourable senators, I would like first to thank Senator Michaud who introduced this bill tonight. I know it will be especially important for his own province. However, I would like also to indicate that, even for a province such as ours, where farm operations are generally on a larger scale, this bill is very important. Bringing this legislation up to date and bringing about the necessary changes on time so that farm credits are quite realistic is a very important matter for western Canada as well as for those provinces where, generally, farms are smaller.

[English]

The Farm Credit Corporation has been one of the great factors in permitting the intelligent development of agriculture, certainly in western Canada. The agricultural marketing problems have been very great and at various times there have been production problems, because of the vagaries of weather and so on. Various governments have taken steps to correct this by means of crop insurance programs. Farm credit is one of the methods by which we can ensure a sound and sensible agricultural development.

• (2040)

Before dealing with some of the details of the bill, with which I agree, I should like to sound a note of caution, that at times too liberal credit facilities and the opportunity of great amounts of credit can be harmful to farmers as well. In all of the handling of farm credit assistance, there should be a very close tie-in with a sound Department of Agriculture, which is not giving too rosy forecasts of the future and encouraging farmers to get into debt beyond their depth. This could in the long run, if improperly handled, be to the great detriment of agriculture. However, there is no question but that a sound, properly managed farm credit structure is vital to keep Canadian agriculture up to date and in a position to produce at a competitive level.

I will not cover all the items of the bill, but will refer to just a few of them with which I am particularly concerned. The powers of the corporation are to be expanded. With this I frankly agree. I recognize that there are great problems here, and there always will be, because of the joint responsibility between provincial and federal governments in the realm of agriculture. It seems to me that too frequently we have had excess duplication of services to agriculture, and in the long run the fellow who pays is the farmer himself. Wherever we can reduce duplication we will be helping farmers to do a better job on their own.

Some years ago my own province set up a farm credit corporation in competition with the federal Farm Credit Corporation of that day. In my view that was a mistake. It is true that at that time the federal Farm Credit Corporation was not measuring up to the times; it had failed to change its rules, and so was no longer sufficiently applicable. To me, however, the proper course would have been to change the federal act, not to set up a competitive provincial structure, which simply adds to the cost and creates a duplication of services.

With regard to the expansion of the corporation's powers, while I recognize the legitimate provincial concerns, I think it is proper to have wide powers, and if there are further federal developments in this field, for example the small farms development program, it should be handled through this agency. The Farm Credit Corporation has built up through the years a very fine body of personnel who are familiar with the problems across the country, with land appraisal, land values and the operations of farms. Rather than set up new agencies to handle new government programs, I think it would be wise to put them under the one structure.

This, I agree, has to be done in consultation with the provinces, but if it is a federal endeavour I would prefer that the federal government handle the operation. I recognize that my own province has made some objections. I feel, however, that all too frequently the provinces seek for themselves a political advantage out of federal funds, and if federal funds are to be expended, I think the federal government ought to handle it.

With respect to the purpose of the loans, I think the proposed change is a wise one. The previous act said that loans could be provided where the expansion was "necessary" to the development of the farm enterprise. The new wording says "will facilitate." I believe this is sound, because it must be recognized that as agriculture changes there may be many other industries in which farm operations will become involved. It can be something as far-ranging as hunting rights on property; it can be as far-ranging as the provision of water supply for other purposes to other people. There may be many circumstances which are not directly related to the farm operation *per se* but which will be of benefit to it by the income it provides. In my view, this is a sensible approach.

With reference to the expansion to secondary non-farm enterprises, it must be recognized that our farmers will have to be much more flexible; they must be prepared to meet sudden changes in demand, sudden changes in consumer wishes; they must be ready to move and adapt, and the Farm Credit Act must be much more flexible than it has been in the past. I think the proposals made here generally aim to provide exactly that.

The Farm Credit Act, which is to be amended by this bill, was passed in 1959. Since then there have been some amendments. However, we must be realistic and prepared in future to make much more frequent changes in this type of legislation to ensure that it is at all times keeping up with the realities the producer faces.

This is by no means a gift to agriculture. It is true that the rate of interest is lower than the general commercial rates would be, but when one considers the incentives given today to industry I do not feel for one moment that this bill is by any means a gift to the agricultural industry. It is recognition that farming is a vital part of Canadian production. The assistance provided here is by no means greater than that provided to other industrial purposes, but is rather less.

I believe we would be wise to refer this bill to the Standing Senate Committee on Agriculture, where we can deal with it in detail, and get explanations on various points from departmental representatives and the minister. In general, I think the bill is a good one, which will provide for a better set of rules for the Farm Credit Corporation in the future.

25312—37

Hon. Henry D. Hicks: Honourable senators, perhaps as the senator from the Annapolis Valley I might express a slightly different Nova Scotian point of view from that expressed by the honourable Senator Macdonald from Cape Breton about the two areas of this bill to which he had objections, or at least about which he had reservations. The first of these had to do with clause 1, which extends the powers of the corporation by an amendment to section 11 of the Farm Credit Act. I take it Senator Macdonald's reservations about this had to do largely with his fear that some provinces had not expressed their opinions, and that there might be areas of duplication between the federal and provincial governments. This was also referred to by Senator Molgat.

• (2050)

This is true, perhaps, but I do not think that there is any question that the federal government has the jurisdiction that it has enjoyed for many years in this area, and that the federal government's activities in this area have been highly significant in the improvement of farms in eastern Canada, as well as elsewhere in this country.

Honourable senators, I do not think that the government in Ottawa, or the Parliament in Ottawa, ought to refrain from taking action because there may be some conflict with some of the provinces. If that were so, surely our whole process would break down into interminable delays before anything constructive could be done in respect to changing any legislation. Therefore I, too, agree with the changes contemplated by the amendment to section 11 of the Farm Credit Act.

The other subject that Senator Macdonald seemed to have some reservations about struck me as extremely interesting, in the two examples he gave of opinions expressed by various farm organizations before the Committee on Agriculture. This, of course, is the old dilemma of keeping the small farm as a way of life. It is rather significant that he himself referred to one of the arguments used in favour of further increasing the ceiling for joint or multiple ownership enterprises in farming operations beyond $100,000 to as much as $250,000.

The argument used was that these people want to be able to farm and enjoy the kind of standard of living that the rest of the people of this country enjoy. He then spoke about the other farm organization which had opposed the increase of the ceiling because it would destroy the way of life of the small farmer.

The farmer cannot have it both ways. We may feel a very sentimental attachment to the way of life of the small farmer, but the farmer who lives in that way on into the twenty-first century is not going to enjoy the standard of living that the rest of the people, the more progressive people, of this country enjoy. Therefore, it seems to me that in this conflict we are right in increasing the ceiling on farm loans at least to the $100,000 level at this time, and that we should not delay further because there may be some reservations and some differences of opinion—as I am sure there always will be—among various elements of our farming community.

By and large, it seems to me that these are good amendments to the Farm Credit Act. I acknowledge the benefit which this legislation has brought in the years of its operation. Though not a farmer, I practised law for a number of years in a farming community and became familiar with and concerned about the problems of farmers, and particularly the problems of farm credit. I support the bill before us.

On motion of Hon. Mr. Phillips, debate adjourned.

CANADA LABOUR CODE

BILL TO AMEND—SECOND READING

Hon. H. Carl Goldenberg moved the second reading of Bill C-183, to amend the Canada Labour Code.

He said: Honourable senators, having been involved in labour-management relations as mediator and arbitrator over a period of some 35 years, I feel privileged to move second reading of the bill to amend the Canada Labour Code, more particularly Part V thereof entitled "Industrial Relations." I trust that if, in the course of my remarks, I make reference to views based on personal experience, honourable senators will bear with me.

Let me remind you at the outset that the Canada Labour Code applies only to industries within the jurisdiction of the Parliament of Canada. These include interprovincial or international rail, road and pipeline transportation, shipping and related services; air transportation; interprovincial or international communication by telephone, telegraph or cable; radio and television broadcasting; and banks.

There are approximately 530,000 employees in the industries within federal jurisdiction.

The Code does not apply to employees of government departments, boards and commissions, who are governed by the Public Service Staff Relations Act, with which we are not concerned,—at least at this stage.

Federal labour law in Canada has a long history, beginning with the Trade Union Act of 1872, introduced by the administration of Sir John A. Macdonald, which made trade unions legal in Canada for the first time. There followed the Conciliation Act of 1900, which established the Department of Labour; the Industrial Disputes Investigation Act of 1907, which introduced compulsory conciliation; the Wartime Labour Relations Regulations of 1944, which made collective bargaining compulsory in defined circumstances; and the Industrial Relations and Disputes Investigation Act of 1948, which has continued in force until the present day. This act guaranteed the right to organize, prohibited certain unfair labour practices, provided for the certification of bargaining agents, made collective bargaining compulsory in defined circumstances, provided for compulsory conciliation machinery, made collective agreements binding and provided for arbitration of disputes arising from their interpretation, and prohibited strikes and lockouts except in the case of disputes over the negotiation of agreements that could not be resolved with the help of conciliation.

This act—which became Part V of the Canada Labour Code under the Revised Statutes of Canada, 1970—has remained unchanged since 1948; that is, over a period of

25 years. But, as we all know, Canada and the world have not stood still during this period. There have been vast changes in industrial development, in technology and communications. These have necessarily had a great impact on human relations and, since industrial relations are human relations, it is essential to adapt the laws governing them to the changes which have occurred in society and thus to the times in which we live. To be effective, law must, as far as possible, reflect the society which it governs.

The bill before us is therefore a comprehensive revision of the 1948 act. It is not a measure which has been drafted in haste. It is the result of a lengthy study by the task force on labour relations, which reported some three years ago, and of other recent studies on labour relations. It also follows many submissions by representatives of labour and management and consultations with provincial governments.

Originally introduced in the other place as Bill C-253 in June 1971, it was allowed to lapse, to allow for public discussion and debate. Re-introduced with amendments in this session as Bill C-183—the bill before us—it has been debated at great length in the other place and in its Committee on Labour, Manpower and Immigration which in the past months heard many witnesses and received a great number of submissions. The bill passed second reading on a recorded vote with only two members in the House of Commons voting in the negative. It received third reading on division without a recorded vote. These are facts which I think the Senate should bear in mind.

• (2100)

While the bill contains more than 100 clauses, I want to make it clear that by no means does every clause propose a change in existing law. The vast majority either carry over an existing provision essentially as it is, with a change in some cases of wording but not of intent, or they deal with the same subject matter as the present law but not necessarily in the same manner because of changes in structure, drafting style and, in some cases, policy.

In a number of cases, however, the subject matter of the proposed section is not dealt with in the present law. I propose to highlight some of the principal additions and changes. First, there is a new preamble which sets out the broad objectives of the bill, It recognizes the long tradition in Canada of labour legislation and policy designed to promote the common well-being through encouraging free collective bargaining and the constructive settlement of disputes. It also reflects the fact that an essential ingredient of our democracy and of free collective bargaining is freedom of association and protection of the right to organize.

There follows the interpretation section which extends bargaining rights by broadening the definition of the word "employee." Under the present act bargaining rights are available to employees, but the word is defined in such a way as to exclude managerial and confidential employees and members of the medical, dental, architectural, engineering and legal professions. As a matter of legal interpretation, certain other individuals who have some of the characteristics of employees and who work in a relationship of economic dependency are also denied access to bargaining rights. The bill would make bargain-

ing rights available to all professional employees, subject to a statutory expression of preference for separate bargaining units. We all know that the professional man today is not necessarily practising privately and earning his fee in private practice. A very large proportion of professional men are now employees. This applies particularly to engineers.

The bill also makes such rights available for the first time to owner-operators of trucks in a position of economic dependency—that is important: a position of economic dependency—and also to fishermen engaged on a share-of-the-catch basis.

The Labour Relations Board would have discretion to include in a bargaining unit employees whose duties include the supervision of other employees, but persons performing managerial functions and employed in a confidential capacity in matters relating to industrial relations would continue to be excluded from the definition of employee.

Another definition which is broadened is that of the word "strike." Taking cognizance of changes in union practices and tactics, a strike is defined in the bill to include:

> a slowdown of work or other concerted activity on the part of employees in relation to their work that is designed to restrict or limit output.

It is clear that this definition covers a wider range of strike activity than does the present law.

The interpretation section is followed by seven divisions of the bill. Division I defines the basic rights of employers and employees to organize. Division II, setting out the composition and powers of the Canada Labour Relations Board, proposes major changes which I shall outline briefly. Under the present act there is a part-time board consisting of a chairman and not more than eight other members representative in equal numbers of employers and employees. The board is concerned mainly with the determination of bargaining units and the certification of bargaining agents. It is now proposed that the board be reconstituted as a full-time independent body comprising a chairman, a vice-chairman and four members, although the size of the board could be increased if the need should arise by the addition of another vice-chairman and up to four more members. The board would have substantial new responsibilities relating to provisions in the bill governing unfair practices, individual rights and the effects of technological change. The board will be able, under this bill, on application of the employer or the trade union, as the case may be, to declare a strike or lockout to be unlawful. Moreover, an order or decision of the board may be registered in the Federal Court of Canada whereupon all proceedings may be taken thereon as if the order or decision were a judgment obtained in that court. That, too, is new.

The present act identifies as unfair and prohibits certain practices by employers or trade unions. The provisions in question are designed to preclude employer interference with the organization or administration of a trade union or the operation of the collective bargaining process. Responsibility for adjudication and enforcement of these provisions rests with the courts. In the amending bill before us the unfair practice provisions are strengthened and extended in such a way as to offer additional protection for employers and trade unions, and for individual employees and trade union members. There is no restriction on forms of union security but the individual employee is protected against loss of employment because of a suspension or withdrawal of union membership for any reason other than a failure to pay dues. The discriminatory application of union membership or disciplinary standards is also prohibited.

• (2110)

Responsibility for adjudication of unfair practice complaints would be transferred from the courts to the Labour Relations Board. The board would be empowered to issue prohibitory and compliance orders and to order reinstatement and payment of compensation for lost pay. It would not be empowered to award damages in the ordinary sense or to levy fines. Illegal strikes and lockouts would remain, as at present, a subject for prosecution in the courts.

I come now to Division III of the bill which deals with the acquisition and termination of bargaining rights. Present legislation makes provision for the determination of bargaining units and the certification of trade unions as bargaining agents. To be certified, a union must demonstrate, to the satisfaction of the board, that it has as members at least a majority of employees in a defined unit. In making its determinations on this question, the board has complete discretion as to whether or not it will order a representation vote, the results of which are determined on the basis of a majority of employees eligible to vote.

Under the provisions of the bill, a union seeking to displace an existing bargaining agent would still have to claim majority support at the time of application. But a union seeking certification for a unit without a bargaining agent would be entitled to a representation vote if it could demonstrate membership support of between 35 and 50 per cent. And the results of a vote would be determined on the basis of a majority of employees actually voting. However, under an amendment to the original bill, if the board determines that less than 35 per cent of the employees who are eligible to vote have voted, it shall determine that the representation vote is void.

The bill further provides that the board may make such arrangements and give such directions as it "considers necessary for the proper conduct of the representation vote, including the preparation of ballots, the method of casting and counting ballots and the custody and sealing of ballot boxes."

The bill also provides for successor rights to carry over bargaining rights when unions are merged or a business is sold, and when an agency of the federal government is transferred from the public service to become or form part of a crown corporation covered by the bill.

In the important area of dispute settlement, the bill would give the Minister of Labour increased flexibility in the use of techniques to bring about settlements.

At present, when a dispute develops, either party may seek conciliation assistance from the Minister of Labour. The minister may appoint a conciliation officer and, if the officer fails to bring about an agreement, the minister

may appoint a conciliation board comprising a nominee of each party and an independent chairman. If the board fails to bring about agreement, it must report its findings and recommendations to the minister. Strike action cannot lawfully be taken until seven days have elapsed from the day on which the report of a board has been received by the minister.

It is now proposed that the minister be given a wider choice of dispute settlement instruments. In a particular dispute, the minister would be authorized to take no action or to use a conciliation officer, conciliation commissioner, or conciliation board. If he appointed a conciliation officer and the officer was unable to effect settlement, the minister would be authorized to take no further action, or to appoint either a conciliation commissioner or a conciliation board. Conciliation commissioners and conciliation boards would have equivalent powers and, if unable to effect settlements, would be expected to make reports containing findings and recommendations.

The right to strike or lock out would be established seven days after exhaustion of the process—that is, seven days after an indication by the minister of an intention to take no action or no further action, or after the report of a conciliation commissioner or board has been received by the minister.

The minister would also be authorized at any time to appoint a mediator to assist the parties, but use of this power would in no way affect timing of the right to strike or lock out. There is in all this a greater flexibility than is provided under present law.

While the law has for many years recognized the right to strike or lock out, Parliament has on six occasions in the past 25 years intervened in a strike to protect the national interest. The bill for the first time takes cognizance of the fact that a strike or lock out affecting the national interest may occur between the date of the dissolution of Parliament and the holding of a general election when there is no Parliament. Accordingly, it provides that, if in the opinion of the Governor in Council a strike or lock out during such period would adversely affect the national interest, the Governor in Council may postpone the date on which such strike or lock out becomes legal until seven days after the date fixed for the return of the writs following the general election. This has never appeared in our legislation before.

With respect to the enforcement of collective agreements, the law now provides that every agreement must contain a provision for final settlement, without stoppage of work, of all unresolved differences over the interpretation or application of the agreement. This, by the way, has given me a great deal of work over the last 35 years. The act, however, is silent on the specific role of the arbitrator.

The bill defines and strengthens the role of the arbitrator, protects his jurisdiction from excessive judicial review, and provides that his awards be ultimately enforceable as if they were judgments obtained in the Federal Court. I may take credit for having recommended this to the Ontario government some years ago.

Hon. Mr. Haig: Is that compulsory arbitration?

Hon. Mr. Goldenberg: It is compulsory arbitration of disputes affecting the interpretation or application of the agreement during the life of the agreement. The bill further confers upon the arbitrator the capacity to review remedies and to substitute penalties in disciplinary cases where specific penalties are not set out in the collective agreement.

[Hon. Mr. Goldenberg.]

• (2120)

Honourable senators, I have covered some of the major changes but I have left to the last the part of the bill which has aroused most discussion. It is entitled "Technological Change," and is contained in sections 149 to 153 inclusive, which sections, by the way, have been modified since the original bill was introduced in the other place. The provisions of this part of the bill are new and I am, therefore, not surprised that they have aroused a great deal of opposition. Everything which is new arouses opposition. I look upon these changes, however, as an effort to adapt the law to the human requirements of a changing industrial society. In my opinion, this is essential in the interests of industrial peace.

I have found again and again that a major cause of current worker unrest—and this goes back for some years—is insecurity resulting from the fear of displacement because of technological change. Men trained in particular skills which they expected to use for the rest of their working lives may find, at an age when it is difficult for them to be retrained or obtain new employment, that their skills are no longer required. Let us put ourselves in that position and try to imagine how we would react. I find that it is anxiety for job security and fear of unemployment that lie at the root of some of the recent major industrial conflicts in Canada and the United States, and that threaten continued serious unrest unless the problem is dealt with fairly.

To substantiate what I have said, let me read to you the results of a Gallup Poll of November 17, 1971. The question was: "Here are some of the things labour unions try to do for their members. Which of them do you think is the most important at the present time?" The answers were as follows:

Security of employment	50 per cent
Better working conditions	15 per cent
Higher wages	14 per cent
Better pension plans	9 per cent
Profit sharing	6 per cent
Shorter working hours	5 per cent

Fifty per cent were concerned with security of employment.

Job security thus towers over all other goals for labour in Canada, as well as in the United States and the United Kingdom. I have had occasion to study what transpired there. There is, therefore, a growing realization that before introducing changes which will displace or otherwise materially affect its workers, it is the responsibility of management to give adequate advance notice of the proposed changes; to consult and seek agreement with the union representing its employees on the best means of adjusting to the situation, and to provide for retraining or relocation or compensation for the employees to be dis-

placed. This is now provided for in quite a number of collective agreements, especially on the railways, and, to a degree, by law. I am proud to say that after the last national railway strike, as mediator, I drafted the provision protecting the men against the effects of technological change, and that provision has worked well. It means the railways will not be subject to this technological change provision because they have a provision in their contract.

Honourable senators, I have studied this measure carefully from the time it was first introduced, and in relation to my own experience. The aim of the measure before us is further to encourage labour and management to deal with the impact of technological change on employees at the bargaining table.

Under the present act, a collective agreement is binding on the parties and may not be reopened for negotiation during the life of the agreement without joint consent. There is, therefore, no effective means for dealing with circumstances in which the assumptions underlying an agreement are upset by the employer who introduces a technological change during the term of the agreement which displaces or otherwise adversely affects many employees. In other words, in the absence of special provisions, the union, having signed an agreement, is locked in while the employer is in a position to change the underlying assumptions of the agreement during its term by introducing a technological change affecting many employees adversely.

This situation does not make for industrial peace. Since the union may not legally call a strike during the term of the agreement, the employees have recourse to wildcat and other illegal strikes. I may add that this is the case only in Canada. It is not the case in the United States or in other western countries where the law does not lock the union in as in Canada, and where the union retains the right to strike during the life of a collective agreement. Ours is an exceptional case and a unique situation which the bill seeks to correct by encouraging bargaining on the impact of technological change, and thereby discouraging strikes. These are the facts of the case which opponents of this measure have failed or refused to understand. It is not a measure to encourage strikes, as some have alleged. It is a measure to discourage strikes.

Generally speaking, the bill does not change the binding character of a collective agreement. However, it requires the employer to give the bargaining agent at least 90 days' notice of any technological change "that is likely to affect the terms and conditions or security of employment of a significant number of his employees." Furthermore, in defined circumstances, a bargaining agent would be empowered, during the term of an agreement, to negotiate provisions designed to assist employees in adjusting to the effects of the technological change with the ultimate right to strike. There would be no bargaining over the technological change itself. The bargaining would be with respect to the impact of technological change.

• (2130)

In order to exercise this power under the bill, the union would have to obtain from the Canada Labour Relations Board leave to serve notice to bargain. The board would not grant such leave:

(1) where the employer has given notice of the intended technological change before the agreement was entered into;

(2) where the agreement contains provisions whereby the effects of technological change may be negotiated and finally settled during the term of the agreement; or

(3) where the agreement contains provisions intended to assist employees to adjust to the effects of technological change and the parties specify that the remaining provisions of the bill do not apply; and

(4) where the board is not satisfied that the change in question is likely to have substantial and adverse effects on the terms and conditions or security of employment of a significant number of employees. Finally, these provisions would not apply to existing agreements, but only to those entered into after the provisions come into force.

These are in summary the basic provisions of the bill under the heading of "Technological Change." I have tried to cover them fairly. I do not say that they are perfect. I am confident that there will be improvements in due course. For example, I have had occasion to inquire into the construction industry in various parts of Canada. I believe that special provisions will have to be enacted for the construction industry, which differs in many respects from other branches of industry. I am satisfied, however, that the bill is fair and reasonable. I am further satisfied that it will not retard the introduction of technological change, as some have charged.

Honourable senators, we must recognize the fact that the issue we are dealing with here affects the basic human desire and need for security. In my opinion, there will be far more co-operation in the introduction of technological change if proper consideration is given to the human factor. Disregard it, and you invite unrest and conflict. This, I submit, is what the bill before us will help to avoid.

Honourable senators, I do not recommend this bill to you as a cure-all for the ills of our labour-management relations system. I have said before in this house, and I say again, that there is no cure-all. The tensions reflected by industrial unrest have manifested themselves in all parts of the globe and nowhere has a solution been found. We have but to look at the experience of the United States and the United Kingdom with strikes in the past year. There is an indefensible strike of longshoremen at the Port of Montreal now, but remember that the west coast ports of the United States were closed down for 140 days recently. We are, therefore, not alone and we will not find a solution more easily than anyone else.

We should remember that the basic cause of the current unrest, which is not confined to trade unionists, is that we are living in a society of rising expectations in which more and more people, encouraged by mass advertising, want more and more of the good things of life. I suggest that more restrictive labour laws will not in themselves put an end to this growing desire for higher living standards. Nor will such laws by themselves insure industrial peace.

We have to face the fact that on both sides of the bargaining table in labour relations are human beings; that across the table each side faces human interests, human aspirations, human ambitions and human fears. Peaceful relations between the parties will therefore

depend not on laws but on the degree to which they are willing and able to understand each other and to make the compromises imposed by the facts which confront them. This is what labour laws should encourage and facilitate.

I recommend the present bill to this house as offering an improved legal framework to the end that I have just mentioned and, at the same time, affirming the proper role of government as representative of the public interest in the relationship between the parties.

Hon. Ernest C. Manning: Honourable senators, we are all indebted to Senator Goldenberg for the very lucid presentation he has made to the house in discussing the provisions of the bill that is now before us. I think it is correct to say that there are very few men in Canada better qualified to discuss objectively the complicated problems of labour-management relations than Senator Goldenberg in the light of the long years of experience he has had in this field.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Manning: I for one feel that this house is very fortunate to have the benefit of his experience and judgment when dealing with this type of legislation.

Having said that with the greatest of sincerity, it is with some regret that I find it difficult to reach the same conclusion as he with respect to the provisions of this bill which deal with the matter of technological change. I recognize, as he has pointed out, that this legislation is restricted to those areas of employment which come under federal jurisdiction and is rather limited for that reason. It is a fact, however, that when any government in Canada, especially the national government, adopts a fundamental new principle in a field as important as labour-management relations, it sets a precedent that may very well be copied in other jurisdictions until it becomes general throughout the country as a whole. I would not be so concerned about the provisions of this bill which apply to technological change were there any assurance that in the future they would remain restricted to employment that comes under federal jurisdiction. I submit that we cannot assume such will be the case. The bill provides, in the field of technological change, some entirely new principles in addition to those which we have had in former labour legislation.

• (2140)

The most crucial of all these is the provision that by following certain procedures it will be possible in future for employees' bargaining agencies to secure the right to open for renegotiation a collective bargaining agreement if it is established to the satisfaction of the Canada Labour Relations Board that technological changes introduced after the agreement came into effect would materially affect the welfare of the employees.

I agree with Senator Goldenberg that as a general rule job security is the greatest single concern of employees. That is understandable. I am a firm believer that the private sector of this country needs a massive infusion of humanitarian concern. I have stated this publicly on many occasions. I do not believe it is any longer either right or possible for private industry to disregard the concern of its employees in the matter of job security. Therefore I do not quarrel with the bill's objective in these provisions, but I submit that the method by which the bill proposes to attain its objectives is unsound and fraught with some serious adverse effects to the welfare of labour and management, and the people of Canada as a whole.

In order to stabilize labour-management relations, there has been a trend in recent years to longer-term collective bargaining agreements. They range anywhere from one year or more, and three years is not uncommon. In the light of the complications encountered in arriving at an acceptable collective bargaining agreement, do honourable senators think many branches of private industry will readily introduce technological changes during the term of an agreement if by so doing it will lead to the reopening of the agreement and the long complicated process of trying to arrive at a new agreement, with no assurance that such an agreement can be reached without the possibility of costly strikes or lockouts?

That will be the result of having this kind of provision in Canada's Labour Code. During this particular period of Canadian history, perhaps more so than at any other time, one thing we should not impede in any way is technological progress. In saying that, I am not taking the side of those who think that technology is the end-all of success. I have a great deal of sympathy for those who argue that sometimes we have pursued the technological concept to the place where we have lost sight of environmental conservation and the adverse impact of technology on the qualify of life. However, I find it ironic that in a period during which so much concern is expressed in the matter of environmental conservation, we should propose anything to impede technological progress. If there is one thing more than any other that can enable us to successfully conserve our environment, it is intelligent technological progress.

Our concern for pollution of the atmosphere, water, land, and our environment as a whole, will not be solved by conservationists making emotional speeches or leading protest marches or parades. There are very few of the problems associated with the industrial pollution of our environment, including automobiles, airplanes, and anything else you care to name, that can not be solved by further research and technological progress.

It is inconsistent to express concern for environmental conservation on the grounds of humanitarian concern for the quality of life and, at the same time, consider legislation which will impede technological progress because we are afraid that without such legislation the quality of life may be adversely affected in another direction, namely, the impairment of job security.

I for one do not believe we should accept the view that placing impediments in the way of technological progress is the way to attack the problem of job security.

Surely there are ways by which we can ensure that the interests and welfare of employees are not in the long run adversely affected, without providing an instrument—as this bill does—to restrict technological change until those concerned have worked out in a collective agreement all the matters about which they are concerned.

If we look at this matter from the standpoint of employment opportunities, many knowledgeable in these matters have pointed out that in the days ahead Canada as an

exporting nation will be faced with the very serious problem of remaining competitive in world markets. A factor which assists greatly in maintaining a competitive position is the application of technological progress to our productive processes, and if we do not remain competitive in world markets, there is likely to be more impairment of the job security of Canadian employees than any impairment that is likely to result from technological change as feared by those who have embodied these provisions in this bill. We have in Canada today a great many programs for the retraining of technicians and even professionals, and for upgrading the skills of workers. A great deal of progress has been made in the field of adult education, especially in the technical skills. But very few of these programs have been directly related to an effort to remove fear in the minds of employees of losing their employment by reason of technological change.

• (2150)

The criteria we use for qualifying an individual to obtain assistance in upgrading his skills and abilities are very rarely related to technological change. It may well be that this is where we are in error. I would like to see us get to the point where loss of employment or threat of loss of employment as a result of technological progress would become a major qualification entitling a worker to be generously assisted by the government and industry in upgrading his skills or acquiring a new skill that would qualify him for a new position more remunerative and rewarding than the one he is afraid he might lose.

It is not outside the realm of possibility, by gearing assistance in upgrading skills and abilities to the danger of loss of employment through technological progress, to achieve the goal we are talking about in the provisions of the bill. But if we did it that way we might well come to the point where, instead of technological change being regarded by the worker as something to fear, it would be regarded as a development that would qualify him for an opportunity to upgrade his skills and take on a more remunerative and rewarding position. This would not only remove the fear of job insecurity presently created by technological progress but would completely alter the attitude of employees towards technological progress. Technological change would become a step leading to the improvement of their position in industry instead of something to fear because it might take away their job.

I do not want to belabour this matter longer. I express these concerns which I know are shared by a great many people across this country. These are not people who want to see the legitimate concern of labour for job security treated lightly. They are people who fear that the provisions in this bill concerning technological change are going to impede technological progress, and, in the long run, be to the disadvantage of the employee, the employer and, also, the consumer who benefits when we devise new technology to produce better goods at less cost.

I hope when this bill is in committee these points will receive further consideration. I do feel that the bill as presently drafted, particularly with respect to these sections, is dangerous to the good and welfare of employers and employees, and the Canadian people as a whole.

Hon. Muriel McQ. Fergusson: Honourable senators, after listening to Senator Goldenberg explain and discuss Bill C-183 in such a brilliant and knowledgeable manner, I fear you will consider it presumptuous of me to rise to participate in the debate for I am no expert on labour legislation, nor have I had actual experience, as Senator Goldenberg has, in the field of conciliation.

Senator Manning, in his usual logical and persuasive manner, has outlined his doubts about the method proposed by this bill to carry out the objectives with which he is in agreement. I cannot agree with Senator Manning's arguments. I do not think that this bill will impede technological progress in Canada.

Like all members of this house I am greatly concerned about the present situation in Canada regarding the difficulties between labour and management. I am also deeply interested in social questions, and the relations between people. Perhaps these are sufficient reasons for me to speak briefly in support of Bill C-183 which, in my mind, is one of the most significant bills, if not the most significant, which has been sent to us from the other place during the present session of Parliament.

It seems inexplicable to me that with the great progress Canada has made in recent years, especially in the sixties and seventies, as shown by the increase in our gross national product and the fact that we have one of the highest standards of living in the world, the great prosperity of our country is not being shared fairly by the people of Canada. No one can deny this lack of sharing when we know that 25 per cent of Canadians, approximately two-thirds of whom are not on welfare but comprise the working poor, are existing on incomes below the poverty line set by the Special Senate Committee on Poverty as well as the poverty line set by the Economic Council of Canada.

The preamble to Bill C-183 makes it clear that the government desires that support be extended to labour and to management in their co-operative efforts to continue and develop good relations and constructive bargaining practices. The preamble to the bill also makes it clear that the government considers the development of good industrial relations between these two powerful forces in our society to be in the best interest of the country, and that such good relations are necessary if we are going to ensure—and I am quoting from the preamble—"a just share of the fruits of progress to all."

The bill is designed to make it possible for the differences between the rights of owners and employers—that is the rights of management and the rights of labour to be clarified and settled without strife, and, more particularly, that they be settled before such differences lead not only to strife but to strikes, which we know often result in violence. In Canada, although we believe in the freedom of the individual, we also recognize that together with freedom there must be social responsibility.

In the past there has been little social conscience displayed by business and management which appear to be motivated entirely by the objective of making money. On the other hand, the efforts of trade unions to improve social conditions for their members, who comprise 35 to 40 per cent of the labour force, have often been considered as excessive, and have resulted at times in unnecessary inconvience and hardship to those not involved in the disputes. For these reasons there has developed among

the general public a lack of sympathy for either side, especially when the disputes result in strikes.

• (2200)

An editorial in the Montreal *Gazette* of April 12 of this year illustrates very well the feeling of many people regarding strikes. Part of it states:

> A strike is similar in some respects to war. It may be just, although a just strike is as hard to define as a just war. It is a question of causes, objectives and alternatives.
>
> In no case does a strike settle the question as to who was right and who was wrong, however these terms may be understood. Reasonable arguments do not decide the issue. In a strike, as in war, superior force and staying power win out.

I would remind honourable senators that it is always the poorer people who suffer the most on these occasions. Surely it is possible that in this enlightened country some better way can be found to settle differences between labour and management than confrontations that so often lead to such strikes.

Suggestions have been made that to meet the situation in which we find ourselves today Canada should change the system of free collective bargaining under which we have been living for more severe controls, such as the labour courts of Australia. The methods used in Australia, and the methods used in Sweden—which is supposed to have very advanced and mature relationships between labour and management—have been thoroughly studied by Canada, and it has been decided that free collective bargaining is the best and most acceptable method for labour and management to carry on in a North American country like Canada. However, there must be some provision to see that opposing parties recognize and observe their social responsibilities.

As Senator Goldenberg told us, the Industrial Relations and Disputes Investigation Act was originally passed in 1948. Although I believe it has been amended since that time by following Parliaments, it is practically the same as when passed in 1948, and has in the past done much to modify what might, without it, have been more serious conflict between labour and management.

The present bill will be even more effective in avoiding such conflict. It provides, as we were told, for the reconstitution of the Canadian Labour Relations Board as a full time body, and makes provision for industrial inquiry commissions and a wide range of actions that can be taken by the minister in regard to the appointing of conciliation officers or a conciliation board. Making use of skilled and specially trained negotiators in this field seems to be the ideal way to solve the differences that arise.

As reference has been made to it, I cannot conclude without making some reference to the much needed provisions regarding technological change. We know that technological changes must come if Canada is to hold her present position in world affairs as a producer. We know, too, that in the past technological changes taking place unexpectedly, and without prior warning, have caused great hardship, and have given workers a frightening sense of insecurity. I have seen this in my own province in some of the industries in which technological changes have taken place, and I realize the suffering endured by workers who did not know what was going to happen to them in future, or what was going to happen to their children. I think the provisions of this bill will do a lot to help deal with this situation. The provisions of the bill, which was explained to us so well by Senator Goldenberg, will do much to help many people in the future who are affected by such changes.

I was interested to read in *Hansard* of the other place that in the debate on this bill members from all parties seemed to support it. As Senator Goldenberg said, only two voted against it on second reading, and it passed third reading on division. I trust that this house will give it as warm a welcome, and do as well by it.

I sincerely hope that through its provisions "the fruits of progress," to which I have referred as being in the preamble, which we have reason to hope will continue to come to Canada in the future, will be more widely shared by all Canadians than has been the case in the past.

Hon. Allister Grosart: Honourable senators, I am aware of the fact that the chairman of the Standing Senate Committee on Health, Welfare and Science is very desirous of having this bill given second reading tonight so that it can go to committee tomorrow. It had been my intention to speak on the bill tonight. However, it is obviously impossible for a statement to be made on behalf of the official Opposition in four minutes. I am sure honourable senators would agree that we would be derelict in our duty if we on this side did not express opinions on the bill. Therefore, having yielded to other honourable senators, who have now brought our proceedings to three minutes to ten, since the Senate must adjourn in three minutes—

Hon. Mr. Martin: I am sure we would all agree there is no requirement that we adjourn then, and that we would all be very happy to let Senator Grosart speak now if he wishes.

The Hon. the Speaker: In view of the last remark by the honourable Senator Grosart, I must remind the Senate that there is, of course, no time limit in this chamber. I thought the honourable Senator Grosart meant that because we had sat for two hours we should now adjourn. It is in the hands of honourable senators.

Hon. Mr. Lamontagne: I would plead with Senator Grosart to change his mind. I am quite sure that honourable senators are very interested in hearing what he has to say about this bill, and I would hope that he would make his speech tonight. As he knows, it is proposed to refer this bill to the Standing Senate Committee on Health, Welfare and Science. I understand the committee might have to sit for several hours before we are in a position to report the bill back to this chamber.

Senator Grosart, as chairman of the steering committee of the Special Committee on Science Policy, knows that we have an important meeting with foreign guests starting at five o'clock tomorrow afternoon, which will go on tomorrow evening. It is too late to delay that discussion, which I believe is quite important. For that reason, I would like Senator Grosart to tell us what he has to say about this bill now. Then we can give it second reading

and refer it to committee for 10 o'clock tomorrow morning.

• (2210)

Hon. Mr. Grosart: Honourable senators, perhaps I should say that in yielding I tried very hard to be co-operative in this matter, and if there is any problem I can only say that one member cannot co-operate alone in the Senate.

I agree with what has been said about the experience, the knowledge, and the wisdom of the sponsor of the bill. He has had a great deal of experience in labour relations, and has a very distinguished record. I do not think he has been always right. Perhaps he has been more often right than wrong; perhaps he has been more successful than unsuccessful, but no one has a perfect record. In undertaking to defend some of the clauses in this bill this evening he has, in my estimation, diminished his record a little bit. The position he has taken is completely untenable in terms of employer-employee relations in Canada. I am referring specifically to those clauses which he dealt with at some length, and that Senator Manning dealt with, clauses 149 to 153 under the heading "Technological Change."

I have to say to Senator Goldenberg that I think he would agree, on reflection, that in most of the arguments he put forward in favour of these clauses he was begging the question. He talked of humanistic values, the importance of job security, and the Gallup Poll.

Hon. Mr. Goldenberg: Would the honourable senator excuse me? May I ask: Does Senator Grosart, as a senator, question the importance of job security?

Hon. Mr. Grosart: If Senator Goldenberg would allow me to finish my statement, I think he would understand what I am saying. I am saying that, in raising those issues in the way he did to support those clauses, he was begging the question, because the objections to these clauses have nothing to do with the questions of job security and human values. He went one step further and said the opponents of these clauses have failed or refused to understand the importance of industrial peace in labour legislation.

Hon. Mr. Goldenberg: I never said that.

Hon. Mr. Grosart: I took it down and I am sure that we can look it up in *Hansard* tomorrow. If I have misquoted Senator Goldenberg I will apologize now, but I have some assurance that he used those exact words, "the opponents of this bill have failed or refused to understand".

Hon. Mr. Goldenberg: "Understand the facts," is what I said earlier.

Hon. Mr. Grosart: To understand you—except that those opponents had not been concerned with your speech. I can assure Senator Goldenberg that those who have opposed this bill have not opposed it on the grounds that it will diminish the potential of industrial peace in Canada. On the contrary, the opposition to this bill is that it runs counter to the basic concept of a collective agreement. A collective agreement, as I understand it, is an agreement whose purpose is to assure, by common consent, a stated certain period of industrial peace.

What does this legislation do? This legislation deliberately introduces another opportunity, perhaps even a provocation, for one side of the collective bargaining group to disturb industrial peace. It provides an opportunity that does not exist at the present time. For that reason, I oppose it. That is the reason it has been opposed by distinguished and learned experts in industrial relations.

Honourable senators, the preamble to the bill sets forth this principle:

> And Whereas the Parliament of Canada desires to continue and extend its support to labour and management in their co-operative efforts to develop good relations and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interests of Canada in ensuring a just share of the fruits of progress to all.

I suggest that the clauses to which the sponsor referred run counter to that pious hope, that pious endorsement of the concept of industrial peace.

It is interesting to note that the body responsible for the bill, the federal government, exempts itself. It is all very well to impose these conditions on other people but, in two places in the bill, the federal government, in its role as employer, is exempted from those provisions.

It will be said that this act comes into force only when a situation arises, brought about by technological change or intended or proposed technological change, which will affect "the terms and conditions or the security of employment of a significant number of employees." The fact of the matter is, of course, that this whole cumbersome, bureaucratic burden relating to technological decisions will come into force long before there is any question or suggestion of job security. That is another reason why I object to it.

What other method could be used? Perhaps that should be left to the experts. It seems to me very obvious that the way to solve a problem such as this is to incorporate whatever requirements are necessary in the original collective agreement.

Interestingly enough, Senator Goldenberg took credit, and rightly so, for such a solution in the settlement of the last railway strike. Why not in this bill? Senator Goldenberg said it is working very well, where the whole question of technological change is discussed in the original negotiations and not left to some sudden change that comes along, and perhaps a necessary change.

I would instance the utter inadequacy, I would even say the inanity, of the definition of "technological change" in clause 149 of the bill. It is provided that in that clause and clauses 149 to 153, "technological change" means:

> (a) the introduction by an employer into his work, undertaking or business of equipment or material of a different nature or kind than that previously utilized by him in the operation of the work, undertaking or business.

That is one requirement. If an employer introduces new equipment or material that was not used before in the operation, that is technological change. Then paragraph (b) says:

• (2220)

a change in the manner in which the employer carries on the work, undertaking or business that is directly related to the introduction of that equipment or material.

This we are told is a definition of "technological change" for the purposes of this act, which the Parliament of Canada is asked to endorse. I say it is absurd. This would mean that if an employer found it necessary during the course of a contract, or during the course of his work, to seek a new supplier, new material of some kind because other material was not available, and he had to change his methods to some degree to cope with that new material—which is something that happens over and over again in business—that, by this act, would be technological change. It would be subject to the imposition of this whole cumbersome business. I ask honourable senators to read that definition very carefully. I say that anybody who has the least knowledge of science, technology or both, or science policy, would say that it is hard to think of a more absurd definition of technological change than that found in clause 149, subclause (1), paragraphs (a) and (b). This kind of looseness of definition is the sort of thing that, in my view, the Senate should have something to say about. It may be just bad draftsmanship. It may be another case of casting the net so wide that anybody you want will be brought in to your bureaucratic cumbersome procedure; but, whichever it is, I say it is bad legislation.

If it is desirable, as no doubt it is, to have in this act a definition of technological change, surely somebody should have looked up the definition in a dictionary or in some of the current works where there are scores of good definitions of technological change to be found. This certainly is not one. If it appeared in a paper or in a scientific work it would be laughed at; and it deserves to be laughed at, even if it is presented to us in a proposed bill of Parliament.

Senator Manning, on the positive side, made the very important point that if there is anything Canada needs today more than anything else in its economy it is incentives to technological change. Here we have a horrendous piece of disincentive to technological change.

I am aware that Senator Goldenberg said, "Oh, no. I don't believe that this in any way is going to retard technological change." Surely he was not serious.

Honourable senators, I will not go step-by-step through the cumbersome load imposed by this act. I will not take the time tonight, but I can assure senators it is a cumbersome load. It says, in effect, that two situations can arise after collective agreement has been reached by both sides, signed, sealed and delivered. For the moment I will not deal with the prior exceptions concerning what could happen in the original collective bargaining agreement, but if technological change is proposed during the lifetime of the agreement, two situations can arise. The employer can give notice to the bargaining agent on the other side. I might say I am surprised to find that the bill seems to assume there is only one bargaining agent because it seems always to refer to the bargaining agent on the one side. At any rate, if he gives notice, the trade union can take certain steps. The effect of those, without any decision by anybody, is to determine that the proposed technological change comes under the act whether or not it would affect the job security of anybody. Before any decision is taken the whole intent of technological change is held up and cannot be proceeded with. If the employer does not give notice, almost the same thing happens.

As I read the act there can be no doubt that the effect of clauses 149 to 153 is to stop, immediately, any proposal of technological change, defined as widely as it is in clause 149, subclause (1), paragraphs (a) and (b). I say this is an absurd disincentive to technological change at a time when we need technological change more than perhaps any other major innovation in our economic policy.

I want to refer again for a moment to one or two of the points made by Senator Goldenberg. I should like to say to him that so far as I am aware the opponents of the clauses in the bill are not opposed to job security. Surely it must be clear that employers have every bit as much interest in job security as employees. It has been said, of course, that the private enterprise system works at times in a manner that separates people from their jobs. Senator Manning said that we have made provision for this situation. We accept it as inevitable.

We have, of course, an unemployment insurance scheme. It is regrettable that at one point not very long ago—I think the date was December 31 last year—690,000 Canadians were receiving unemployment insurance. The very fact that we have unemployment insurance surely indicates that separation from jobs at times is inevitable for some part of the population.

I know Senator Goldenberg will say that he was referring to an employee who has spent many years of his life in one job and now finds that that job is redundant. Admittedly, that is a real problem. But I would say to Senator Goldenberg, to anybody who really believes that this bill is going to do what Senator Goldenberg thinks it is going to do, that surely the important thing in the long run is the totality of jobs that the Canadian economy provides in relation to the totality of the labour force. Surely it is axiomatic that if we are to reach full employment, whatever that may be—3 per cent or 4 per cent unemployment—we must have more and more incentives to technological change, and, as Senator Manning has said, much better provision than we now have in the Unemployment Insurance Act, in Adult Re-training—which has been a colossal failure for the reasons given by Senator Manning and, indeed, for other reasons. Surely we must have a better answer than to say, "Let us stop technological change; let us impede it; let us provide, for the first time in our history, disincentives to technological change!"

• (2230)

I have and I always have had the utmost sympathy for the position of organized labour in insisting on its rights under collective bargaining. In Canada we have, I believe, established a distinguished record, one that despite a few minor differences here and there is comparable with the best in the world, and I am not excluding the Scandinavian countries when I say that. And we have achieved this by enshrining, on both sides, the sanctity of the concept of a bargain, for that is the word—it is a "collective bargain"—"a collective agreement."

Honourable senators, I suggest that this is a retrograde step, that this legislation in these clauses is regressive inasmuch as it turns back the clock on a great, successful and mutually beneficial innovation in the field of management-labour relations. Let me say again that in taking this position I am not for one moment forgetting the importance of the human factor. If I believed for one moment that this legislation would improve by and large the job security, the human values, of workers in Canada and their families, I would support it. But, honourable senators, I oppose it because I believe that in its over-all effect it is going to do a lot more harm than good.

Some Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: Honourable senators, it had been my intention to move the adjournment of this debate, but in view of the remarks made by the chairman of the committee to which it is proposed to send this bill as to the desirability of giving it second reading this evening, I shall defer my comments until third reading, although at this stage I may say that in general I support the bill.

Hon. H. Carl Goldenberg: Honourable senators—

The Hon. the Speaker: I must inform the Senate that if the honourable Senator Goldenberg speaks now his speech will have the effect of closing the debate on second reading.

Hon. Mr. Goldenberg: Honourable senators, I have no intention of delivering another long speech at this hour. However, I should like to make one or two comments on some of the points raised by my friend Senator Grosart. He began by suggesting that this bill provides an opportunity for one side to disturb industrial peace—and I think I am quoting him correctly—and he ended up by referring to "interference with the sanctity of the contract." But my question to Senator Grosart is this: Who is interfering with the sanctity of the contract? If the employer and the union have signed an agreement and, let us say, six months later the employer introduces a technological change which results in 50 per cent of the employees being displaced and having their classifications changed and so on, who is changing the agreement? Who is interfering with the sanctity of the agreement? It is the employer who is changing the underlying assumptions of the agreement when it was signed.

This is a point I tried to make and this is what I said is a part of the facts that have been disregarded. Let us look at it in its proper light.

Senator Grosart also said that this will just retard change and prevent change. I mentioned the railways and the agreement between the railways and their employees, not that I wanted credit for having negotiated that but because there you have the largest single employer under federal jurisdiction, and certainly the agreement which protects the employees against the effects of technological change has not retarded technological change on the railways, and you have but to see the large reduction in employment on the railways as proof of that.

I could cite other examples. I have been involved in recent years in quite a number of disputes where I traced the strike or the dispute to fear of displacement because of technological change. This bill does not propose bargaining over technological change. I think I made that quite clear. It is bargaining to allow the employees to adjust to the effects of technological change. They are entitled to something. When we expropriate property for public improvement we compensate the property owner, and if the worker has to be displaced in the interest of progress, then he is entitled to some form of protection and this is what this bill envisages.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Goldenberg: I move that it be referred to the Standing Senate Committee on Health, Welfare and Science.

Hon. Mr. Lamontagne: Honourable senators, may I just add one word here. First of all I want to thank Senator Grosart for having agreed to speak tonight, and also Senator Macdonald for having agreed to postpone his speech. Furthermore, I should like to give notice to members of the Standing Senate Committee on Health, Welfare and Science that the committee will meet tomorrow morning at 10 o'clock.

Motion agreed to.

The Senate adjourned until tomorrow at 2 p.m.

25312—38½

THE SENATE

Wednesday, July 5, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report of the Science Council of Canada for the fiscal year ended March 31, 1972, pursuant to section 19 of the Science Council of Canada Act, chapter S-5, R.S.C., 1970.

Summary of Statistics on the Canada Manpower Training Program for the year 1970-71.

Copies of Notes exchanged between the Government of Canada and the Government of the United Kingdom constituting an Agreement concerning a training scheme for armed forces of the United Kingdom in Canada, under date of August 20, 1971. In force August 20, 1971.

CANADA MANPOWER TRAINING PROGRAM STATISTICS

Hon. Mr. Martin: Honourable senators, on Friday morning last when Senator Norrie was speaking on third reading of Bill C-195, to amend the Adult Occupational Training Act, she indicated the desirability of tabling some further statistics on the Canada Manpower Training Program. I have just tabled those statistics for her.

CANADA LABOUR CODE

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Maurice Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-183, to amend the Canada Labour Code, and had directed that the bill be reported without amendment.

He said: Honourable senators, as I anticipated yesterday evening, we dealt with this bill in committee in the course of a few hours' discussion. It is an honour to present the committee's report.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Martin: At the next sitting.

Hon. Mr. Flynn: Not before, for sure.

Hon. Mr. Martin moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FARM CREDIT ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator Michaud, for the second reading of Bill C-5, to amend the Farm Credit Act.

Hon. Orville H. Phillips: Honourable senators, first of all I should like to thank honourable Senator Michaud for his introduction of this bill. After listening to his remarks on the farm situation in Kent County in New Brunswick I think it appropriate that Senator Michaud introduced this measure. Perhaps, Senator Michaud, you have not achieved all the results you would have liked to by your inquiry, but at least you have made the government aware of the farming situation in Kent County.

One aspect of your introduction that I appreciated was the fact you did not claim that the present bill to amend the Farm Credit Act would provide a solution for the problems you outlined. Both of us know that the present bill is not going to create a line-up at the Farm Credit Corporation offices across Canada. In fact, I doubt if it will create even a ripple of interest in the farming community of Canada. I say that, honourable senators, because I have looked into a few of the statistics concerning the farming industry in Canada.

If I may have your indulgence for a few moments before I actually consider the proposed amendments to the act, I should like to point out to the Senate, and to the people of Canada, generally, that most of us in this country are completely unaware of the rather sad state of affairs that exists in the agricultural industry.

• (1410)

When you drive past a painted farmhouse with a nice fence around it, it is easy to think that the farmer there is making money and that all is well within the confines of that farm. But in this connection I should like to quote a few figures from the agricultural division of Statistics Canada. Naturally I shall start with my own province where in 1970 the income in thousands of dollars was $13,822. This was reduced to $6,602 in 1971, representing a drop in farm income of over 50 per cent. And this is despite grandiose plans and the development plan by which farm income is supposed to double between 1969 and 1976. In this instance in one year they managed to bring about a decrease in farm income of over 50 per cent. Therefore, they have their work cut out for them in the next few years.

In Nova Scotia, a neighbouring province, the farm income dropped, again in thousands of dollars, from $23,000 to $17,000. That again is a very serious drop.

In New Brunswick where the people are very industrious and hard-working, in 1970 farm income was $17,118 and in 1971 it was $10,570.

The Province of Quebec fared a little better inasmuch as they only dropped from approximately $195,000 to $181,000.

Ontario, which we normally consider to be the most progressive and profitable province, dropped from $402,000 to $324,000. As I have said, these figures are all in thousands of dollars.

The prairie provinces are up, but the bulletin admits that a great deal of the increase in the prairie provinces has been due to the fact that they have received advance payments. The only province showing a real increase is British Columbia.

Honourable senators, in addition to that I should like to refer you to a question asked in the other place and the answer provided by the government. The question referred to the income declared by farmers in various areas. I am sorry that Senator Croll, the Chairman of the Special Senate Committee on Poverty, is not here. I am sure he has seen and studied this question.

Quebec farmers filed around 30,000 returns, and 8,862, approximately 25 per cent, reported a taxable income of $2,000 or less. Ontario farmers filed 70,558 returns, and 26,600 reported a taxable income of less than $2,000. Perhaps people in the east think the wheat farmer in the west is making a profit. If any of you have that opinion you are in for a shock. In the west, 160,000 farmers filed income tax returns and more than 50 per cent reported a taxable income of less than $2,000. I am ashamed to give the figures for the Atlantic provinces. They are even more drastic. If honourable senators are interested, they can look them up themselves.

Sometimes we tend to overlook changes in the farming community. The report of the royal commission inquiring into the costs of farm machinery indicates that over the last 20 years farm machinery costs have increased 85 per cent while the return to the farmer has increased only 3 per cent. We also tend to think that by putting thousands of acres together in one farm we have created an economic unit. Dr. Barber says in this report that when you reach a certain point there is no longer an economic advantage in the larger farm unit.

Farmers, like many other Canadian citizens, have complained about freight rate increases. It is impossible to go into the statistics on the various aspects of freight rate increases, but I wish to point out that it is the farmer and not the consumer who pays the increased freight rate. In my province over the last two years the farmers have suffered about a 12 per cent increase in freight rates.

• (1420)

Honourable senators, if by this time I have not convinced you that the farm economy is in a very serious state, let me quote the status of the loans from the Farm Credit Corporation. In 1969-70, 87 per cent of Farm Credit Corporation loans to farmers were in arrears. In 1970-71, this statistic was 83.9 per cent. In other words, more than eight out of ten farmers who have a loan from the Farm Credit Corporation are in arrears.

Honourable senators, there is no prouder group in Canada than our farmers. I do not think any of you who know a farming community and farmers can point to one farmer who is proud to be in arrears. I offer these facts to illustrate that the agricultural situation in Canada is serious and we need action. Later on in my remarks I will attempt to make the point that this bill, while containing many favourable aspects, is deficient in many others. We need a new policy to meet the needs of the farmers.

Let us for a moment consider the average farmer. First of all, it is rather a surprise to discover that he is 60 years of age and at that age still owes $3,000 to $4,000 on an original loan of $20,000. We can readily picture the average farmer. He has risen early in the morning and put in four or five hours of work before receiving his mail at 9 or 10 o'clock, when he takes a break to read it. In it he receives a notice from the Farm Credit Corporation informing him that he is in arrears and they are threatening foreclosure. He is one of eight farmers out of ten in this position.

Honourable senators, I will not allow the noise from the left to disturb me; I never listen to that. I know who will follow me, so I will have the opportunity to reciprocate.

Anyway, the farmer has received this notice of foreclosure. Naturally that is depressing, to sit in the farm kitchen reading such a communication while talking with his good wife who has worked with him for years at farm labour. They discuss the crop failures due to weather and also the years when they were able to produce a good crop but obtained low prices because of overproduction. He recalls the struggle to educate their children and send them to a better life. He sits there feeling rather depressed after his 40 years of hard work. Then, with the typical optimism of the farmer he turns to his wife and says, "Ah well, things aren't so bad. You know, if I were 40 instead of 60, Bud Olson would loan me $100,000." I do not think that solves one problem in agriculture.

I move now to the amendments in the bill. The first deletes the word "necessary" and substitutes the words "will facilitate." I cannot get excited about this amendment. I still think that appraisers will look at the situation and say, "You can make a profit on this operation or you cannot." To me, it does not matter one hoot if the bill says "necessary" or "will facilitate," and I do not think the average Canadian farmer cares about this amendment.

The second amendment makes it possible for a farmer to borrow up to $100,000. Before I move on to the problems created by this, I should like to refer briefly to interest rates. In the last couple of years farmers have paid as high as 8¾ per cent as compared with the former standard interest rate of 5 per cent.

It is fine to give various excuses and statistics to Parliament, if one wishes, but if honourable senators really believe that the legislation is correct in this regard they should go out and try to explain it to the farmer. They should try to convince him that he is better off paying 8¾ per cent than 5 per cent. The farmer knows that it will affect the selling price of his farm. I do not accept it, and I do not think that many farmers will accept it.

Let us consider the case of an individual who has borrowed the maximum of $100,000. Before we do so, perhaps I should point out that last year the Farm Credit Corporation granted 4,100 loans averaging $28,000 each. I do not find myself getting excited about the possibility of farmers being able to borrow up to $100,000. Farmers are too practical to borrow more than they need. Depending on the fluctuation in interest rates, the individual has to come up with $7,500 to $8,500 a year on the interest and approximately $5,000 on the principle. If the $100,000 loan is amortized over 20 years, right away he is up to at least $12,500 in annual payments. He then has his fertilizer, his help, machinery, and basic herd. And now that he has expanded and taken in additional acreage he must turn

around and buy production quotas—various governments in their wisdom have put on production quotas—in order to support his $100,000 loan. This is a discouraging picture. If anyone asked me for advice in this situation I would tell him to walk away from it, to join a union and go on strike and draw unemployment insurance.

• (1430)

There is also an amendment eliminating the reference to 21 years as the minimum age for qualification for a loan under the act. I have no real quarrel with this amendment. Most of our provinces have reduced the age of majority to 18. However, I do quarrel with the fact that the act eliminates anyone over the age of 45. If I recall correctly, the act does not even state that a person can apply before the age of 45; it states that he cannot be 45 when the loan is approved by the Farm Credit Corporation. In other words, he can apply at 43 years of age, but if the application is under investigation for two years he then gets told, "Sorry, old boy, since applying for the loan you have become 45 and therefore you are not eligible for the maximum amount under the Class 3 loans." I find it rather ridiculous that an inexperienced 18-year-old can borrow the maximum while a 45-year-old with a number of years of work and investment experience behind him is eliminated. I feel this is one aspect that our committee should consider, because it is going to produce some problems.

Let us take as an example an actual case that is well known to me. A certain farmer runs a fairly large farming operation. His oldest son has finished high school and will be entering agricultural college this fall to study for his bachelor of science in agriculture. By the time he obtains his degree he will be 22 years of age. Following behind him are the second and third sons, and by the time they graduate with a bachelor of science degree in agriculture they will no longer be able to form a farm corporation and apply for the maximum loan of $100,000. By then the father will be over 45 years of age. Does anyone familiar with agriculture know of any farmer who has retired at 45?

Hon. Mr. McDonald: I know lots of them who went broke before then.

Hon. Mr. Phillips: I myself have had difficulty in avoiding going broke before 45, but I have managed to overcome it.

Hon. Mr. Argue: The first step to becoming a millionaire is said to be going broke.

Hon. Mr. Phillips: I can understand the attitude of the Farm Credit Corporation. They take 45 as the age limit, so with 20 years' amortization the loan is repaid by age 65. Surely we can come to some compromise so that the individual can borrow on a reduced scale. I assume this bill will go to a committee, and this is one thing I would like the committee to consider.

I now come to the proposed amendments to which I have serious objections. The Farm Credit Corporation, as explained by the Minister of Agriculture before the committee in the other place, will become a federal agency to administer, in conjunction with provincial agencies, a misnamed program called the Small Farm Development Agency. In my own province I have had experience with a similar situation. In fact, the amendments proposed in this bill are political plagiarism; they are taken directly from this document entitled "A Development Plan for Prince Edward Island." The terms and conditions are identical. The only difference is that this program was designed to reduce the number of farmers from 6,600 to 2,500, yet it is called a program to save small farms.

In Prince Edward Island the program was a planned failure and has been exactly that. I can drive through the province and see farms each of which once supported a farm family—although admittedly they did not go to Florida in the winter, but they existed and had a certain security on that small farm—where there is now a huge government sign saying, "This land is now owned by the Prince Edward Island Land Development Corporation." What was once prosperous farm land is now growing bushes.

Honourable senators, I had planned to go into greater detail, but perhaps it would be better if I postponed my further comments until the committee meets tomorrow morning. I will point out briefly certain similarities. A farmer who has reached a certain age and wishes to sell his farm may sell it to the development corporation.

• (1440)

Senator Martin, if you wish to be on this side, would you please pay attention? If not, would you go back to your own side, please?

An Hon. Senator: The two leaders are conferring.

The Hon. the Speaker: Honourable senators, I do not know if this is a true interpretation, but I hear one voice. I am sure all honourable senators would like to follow what the honourable senator has said.

Hon. Mr. Phillips: I said that if the honourable Senator Martin would like to join us, we would be delighted to have him, but I still believe he belongs to his own side.

Honourable senators, I was mentioning that the farmer who has reached a certain age can sell his farm and retain the right to live in the house during his lifetime, or during the lifetime of his spouse. He must maintain the farm home in repair and he cannot leave it for longer than a week without permission. There are various other conditions of the sale.

Our own farmers do not like this situation. They do not like buying a farm without obtaining the building. After all, the buildings were part of the purchase price of the land development corporation.

There are two other points I would mention briefly. One is the fact that if the farmer is younger and wishes to sell his farm, the development corporation will buy the farm outright, provided he can show that he has other employment and will not be on welfare. With today's unemployment situation, this is really a difficult thing for anyone to do.

Honourable senators, the second and last point, in regard to the so-called small farms development, is the fact that the farmer may rent the land rather than buy it. He can rent the farm for up to five years. The agreement is renewable but, including the interest rate and the local taxes, the rental is 10 per cent of the purchase price. The farmer is not stupid when it comes to a $5 bill in the

pocket. He can appreciate that as much as anyone else. He looks at the situation and says, "I cannot afford a down payment on this farm right now. If I rent it for five years I will have paid half the purchase price; but if I go to buy it, the Crown still owns it and I get no credit for the rent I paid on it." It is only fair that he should receive some credit. Certainly, he should not receive credit for the taxes that have been paid on the property, but he must receive some credit for the rental.

Last evening, Senator Molgat mentioned some reluctance—if I interpreted his remarks correctly—to have the provinces and the Farm Credit Corporation jointly administer the so-called small farms development program. I cannot get excited about this idea, because of the result achieved in my province after three years of a similar program. The civil service has more than doubled. Last winter we had an unemployment rate of 14 per cent, and 12 per cent of our citizens were on some form of welfare. You quarrel as to who is going to administer this program, and you produce this result.

Honourable senators, I hope that you will keep the Farm Credit Corporation clear of this. It is one organization which has been respected by farmers, because they know they can go there, explain a problem, and get fair treatment and fair consideration. It would be disastrous to involve the FCC, which has earned and received such high respect from farmers, in a program resented by farmers.

In closing, may I make a few brief suggestions to the government. The first I would like to make is based on the fact that the average Canadian farmer is 60 years of age, and of the 4,100 loans made last year about 20 per cent went to the so-called young farmer. We must face the fact that instead of exporting farm produce in the next few years we will be importing it, if this present trend continues. I suggest that a young farmer who is beginning should receive the same consideration we grant to our industrial firms.

A farmer is interested particularly in three types of industry—a machinery firm, a chemical firm producing fertilizers and insecticides, and a firm to which he sells his produce. The machinery firm can receive a grant, forgivable and non-repayable, of approximately one third under the DREE program. The same thing applies to the chemical firm, regardless of its name—it may be a chemical firm in Canada, CIL, Fina, Prima, or you name it. Every one of them is liable to have one third of the cost forgivable. The processing plants, to which the farmer sells his produce, also may have one third of the cost forgivable. Is it unreasonable to suggest that the most important cog in that whole process, the farmer or primary producer, should receive the same consideration? I think a certain portion of the farm credit loan should be forgivable or considered an incentive grant, as is the money which the chemical companies and food processing companies receive.

• (1450)

The second suggestion I should like to make to the government is that there be an adjustment in the interest rates, as provided in the Central Mortgage and Housing Act. Every five years the interest rates are reviewed, and the lower rate is adopted. I consider it unfortunate that some of our farmers are tied up for up to 29 years with loans at 8¾ per cent interest. Surely, these can be reviewed on the same basis as an urban dweller's loan for the purchase of a home. There is nothing unreasonable in that request, honourable senators. I realize that it is too late for the legislation to be changed now, but surely the next Parliament can take this into consideration.

The third recommendation I should like to make is that the Farm Credit Corporation mortgage be considered open-ended. We can take the case of a farmer who borrows originally $20,000, and who reduces his loan to approximately $15,000. He feels that it is safe, even with this government and its policies, to expand, and he wants another $10,000. He has to go through the whole process again, involving the appraisal and appraisal fee, and the application and lawyer's fee, of 5 per cent of the loan. Thus, before he turns around, there is about $750 to $1,000 off his $10,000. He does not even see it. Admittedly, the Farm Credit Corporation has a problem in that it must register the mortgage, but surely we can find a way to have the mortgage made open-ended, and have the increased amount of loan registered on the same mortgage, without putting the farmer to the tremendous expense of further appraisal fees and legal fees which cost him up to one-tenth of his loan. I think that is totally unfair.

In closing, honourable senators, I must say that I find nothing new in this bill. Certainly, there is nothing wrong with allowing more credit, providing that, as Senator Molgat stated last night, we do not put the farmer out of existence by giving him too much credit. I would suggest, however, that this chamber pay a bit more attention to the unfortunate and difficult situation facing our primary producers. I suggest that we should attempt to have legislation in the next session which would give the primary producers a better break and a better chance. They are all proud individuals. They are all willing to work. They want to make their way in life just as much as anyone else. Let us try to give them a chance to do so.

Hon. Hazen Argue: Honourable senators, I agree with many of the sentiments expressed so eloquently by Senator Phillips with respect to the general difficulties farmers are facing, and the need for the government and Parliament to take a lenient and understanding attitude towards their very difficult problems.

Senator Phillips performed a service in making a number of specific recommendations to this house. I am not certain, however, that all of his recommendations would necessarily be helpful. I am open to persuasion, but what he said in support of his advocacy of a so-called open-ended credit, for instance, does not prove to me that such an open-ended credit would necessarily be less costly than the present system. As I understand it, in order for the farmer to get additional credit the Farm Credit Corporation must either take a second mortgage, or must discharge the old mortgage and replace it with a new mortgage. It has been suggested, not by Senator Phillips but by others, that the costs involved in that process are exceedingly high, and that, moreover, the old, lower interest rate is replaced by a newer, higher interest rate.

The Farm Credit Corporation, in fact, believes that the costs of filing a mortgage and of making an inspection are

moderate indeed. They point out that the original appraisal still applies, if the second mortgage or additional credit is asked for within five years. They further point out, as I am sure Senator Phillips knows, that if a farmer who has a low interest rate mortgage from the Farm Credit Corporation applies for and receives additional credit, he still retains the benefit of the initial low-interest rate because the new rate is a blend of the old rate and the current rate which has the effect of giving to the farmer the benefit of a rate which is lower than the present or prevailing rate. So, in fact, the farmer does not lose the advantage of the low interest rate on his old loan.

I agree that interest rates for farmers obtaining credit from the Farm Credit Corporation have often been rather high in relation to the productive capacity of their farms and the ability of the farmers to repay their mortgages, but the fact is that the rate has been set in relation to the prime rate of interest paid by the Government of Canada. I believe it is 1¼ per cent above this prime rate. In other words, the farmers pay the penalty of high interest rates when interest rates are high, but they achieve lower rates, of course, when interest rates are down.

It has been pointed out that in years gone by farmers who obtained loans from the Farm Credit Corporation sometimes paid interest rates as high as 8¾ per cent. Recently, however, interest rates have been coming down and today they are at 7 per cent, which is certainly a much better situation than prevailed a couple of years ago.

Last night Senator Macdonald suggested that the farm organizations were really highly critical of this legislation. He quoted quite accurately a statement by the National Farmers Union in which it would appear to be opposed to this kind of legislation. The Canadian Federation of Agriculture wanted loans in certain instances to farmers farming on a co-operative basis to come up to one-quarter of a million dollars. But I would point out that even in the light of all these criticisms, Bill C-5 passed the other place on second reading and again on third reading with unanimous support of members from all parts of the house. It would seem to me that if the rather violent criticism of the National Farmers Union had had any great appeal, certainly the NDP would have gone along with their criticism and voted against it.

• (1500)

Hon. Mr. Flynn: You should know.

Hon. Mr. Argue: Of course I know. I read *Hansard*. I know the point that my friend is making, and I tell him I was never a member of the NDP.

Anyway, honourable senators, I have read their remarks. The Conservative Party moved an amendment asking for lower interest rates for young people when the loans are supervised, and the NDP amended that motion to ask for lower interest rates for young people—period. I am not persuaded that if the Farm Credit Corporation wished to apply a lower interest rate on certain loans, that that lower interest rate should depend upon the age of a farmer. I do not know what is so sacrosanct about age, and if a young farmer of 21 years of age wants to farm, or if a man of 45 years of age who is a small farmer wants to increase his holding by a small amount, then you will have to do a lot of talking to persuade me that the man who is 45 should not have just as low an interest rate as the young man of 21 starting out as a farmer. Personally, I should like to see an amendment to the Farm Credit Corporation which would be a change of policy and provide lower interest rates on perhaps the first $30,000 or $40,000 as an incentive to small farmers to increase their holdings and stay on the land, just as it would be an incentive to a young person to buy a small farm.

As I read the trends in our nation today, one great trend, of course, is for technological change, technological development and huge corporation-sized farms. But there is another trend which shows the desire of people to go out from the big cities to farms and small holdings. I think we are a little ridiculous in this country if we follow policies that encourage the consolidation of farms so that they become very large farm units—in fact almost to the extent of being factories—thus causing thousands to leave the land and go to the big cities where they hope eventually to become millionaires so that one day they can buy a place in the country to get away from the smog, the turmoil and the trouble of big cities. There should be a section in the legislation which would provide for lower rates of interest to act as an incentive to farmers to expand small holdings, as well as to make improvements. There should also be loans to enable people to get away from the confusion of the cities and enjoy the rural life and the amenities of living in the country.

I also agree with those who have pointed out just how hard farmers work. I am appalled by the number of people I run into who think that farmers, no matter where they live, are in such a favourable position that they work short days, short weeks, short periods of the year, and that they have long, long periods of leisure. If I may introduce a personal element into this discussion, I telephoned a farmer the other night in Saskatchewan who happens to rent a piece of land from me. It was 10 o'clock their time, and I spoke to his wife. I asked if Eli was home and she replied that he was in from the field but that he had just gone out to the west quarter to check the cattle. She said, "If you want to talk to him, you had better call close to midnight or about five o'clock in the morning."

Honourable senators, the farmers have not reduced their working week; they have expanded their holdings. They have acquired more land and have expanded into cattle production. In the vast majority of cases they are working just as long a day as they can. They are working to their maximum capacity and receiving a small net income in return. But difficult as the farm situation is and difficult as it has been, there is a turn taking place. I believe we are on the upgrade now and things are improving. Things are certainly improving on the Prairies. Beef production is improving and the price of beef is going up. I have in my hand the latest statistics on farm cash income, those of January of this year, put out by Statistics Canada. The report says:

> Preliminary estimates indicated that during January 1972, farmers' total cash receipts from farming operations in all provinces except Newfoundland totalled $327.4 million, 10.9% more than the $296.1 million realized during the same period of 1971.

I would think that this increase of 10 per cent or more will be carried through, and I certainly hope that this improving condition continues for a long time.

We were told this afternoon, if I understood correctly, that about 80 per cent of the mortgages held by the Farm Credit Corporation are in arrears. But I have read the annual report and I have read other statements which lead me to believe that the situation is exactly the opposite, namely, that 80 per cent or so are in fact in good standing. The annual report of the Farm Credit Corporation, 1971-72, page 10, under the heading "Repayments by Borrowers," states:

> At the end of the fiscal year, 84.6 per cent of all mortgage accounts were in good standing compared to 83.9 per cent a year earlier.

While the farmers during this period have been going through very, very difficult circumstances, I think it is a tribute to them and to the kind of credit provided by the Farm Credit Corporation that more than 80 per cent are in fact in good standing and have no arrears. Of those whose accounts were not in good standing and who were in arrears at that time, I would think the vast majority will recover their position and get their loans back in good standing and be able to carry on a successful operation.

• (1510)

On page 6 of the annual report it indicates the corporation has about 69,000 borrowers. How many foreclosures have there been in the year under review, and how many properties have reverted to the Farm Credit Corporation? The report indicates that 37 have reverted. I think this is an excellent record. Out of a total of 69,000 mortgages only 37 properties reverted to the Farm Credit Corporation. The fact is that this has been, and continues to be, a very successful operation.

Senator Phillips gave a long argument—

Hon. Mr. Phillips: It was only 45 minutes. That is not long.

Hon. Mr. Argue: He made a comprehensive argument against the section of the act which, under certain circumstances, prevents loans being made to farmers who are over 45 years of age. As I understand the act—and I think I am accurate in my understanding—this refers to Part III which concerns supervised loans.

Hon. Mr. Phillips: If you had been listening to me instead of talking to your seatmate you would have understood what I said.

Hon. Mr. Argue: I was doing the best I could. I was out of the chamber at one point, and you may have covered this while I was out. In any event, the complaint was that under Part III farmers over 45 years of age could not receive loans. These are supervised loans where it is considered the farmer's equity is less than the average equity for loans. This is a special category for special circumstances. Out of 69,000 loans, 3,905 were under Part III. A small proportion of the total number of loans fell under Part III which has an age limitation.

I think there is a measure of good judgment in saying that if farmers wish to get a loan when their assets are not considered adequate, there should be some supervision. I agree that the provision regarding the age limitation might be removed. They could consider the farmer on the merits of his particular case and remove the age limitation. In any event, there are less than 4,000 farmers who have obtained loans under this specialized part of the act out of a total of 69,000 who have obtained loans under the act.

It has been said there should not be an amendment to the Farm Credit Act to expand the powers of the Farm Credit Corporation, allowing it to undertake other duties. Of course, the other duties likely refer to the small farms development program. There is a feeling in certain quarters that the development of small farms legislation of this kind should be undertaken only after there is agreement with the provinces and that this concept should be administered by the provinces. I am pleased that the government has put this amendment into the legislation. I feel that as a federal nation, as a federal Parliament which has joint responsibility with the provinces in the field of agriculture, there should be a federal presence. I hope the federal government goes forward with the Farm Credit Corporation and administers a small farms program, and that all provincial governments will support it. We have had national acts administered on the prairies which have been highly successful, such as the PFRA and the PFAA. I see no objection to the federal government putting up the money and, having obtained prior agreement, operating it as a federal program in all parts of this country.

I think Jimmy Gardiner was right when the federal government administered the PFAA. I think the Conservative Party was wrong with regard to the administration by the provinces of crop insurance. What happens is that the provincial government sets up a so-called provincial crop insurance board.

Hon. Mr. Phillips: Do you recall how you voted on that legislation?

Hon. Mr. Argue: I voted for it. I would not vote against anything which might have some good effect so, of course, I was for the legislation. I think that a federal crop insurance act could have been administered by a federal body in all of the provinces. However, instead of this, we have provincial crop insurance bodies. In Saskatchewan there is a crop insurance board. Most people in Saskatchewan think it is solely an instrument of the provincial government. Most citizens do not realize that while the administrative costs are shared equally by the provincial and federal governments, the federal government puts up the real money and pays 25 per cent of the premium costs over the years. The provincial government receives credit for the act while basically the federal government supplies the money. I think that when the federal government supplies the bulk of the money under a scheme which it is hoped will be available all across the nation, there are valid arguments for doing it on a national basis and not on a provincial basis.

In Saskatchewan there has been a change in administration and the new government has announced it is going to be very aggressive in selling crop insurance policies in the province. They have established new districts and have brought in new personnel, and it is a nice political pork barrel. They bring in their organizers and put them on boards, and give them jobs promoting crop insurance in Saskatchewan. The bulk of the money comes from Ottawa, but it is a provincial instrument, and it is used as a political instrument by the provincial government.

Hon. Mr. Phillips: I am sorry to interrupt Senator Argue but he will appreciate that my province is a long way from his, and I am not familiar with these details. However, does not the farmer pay a form of insurance premium, and does this not bring it into provincial jurisdiction?

Hon. Mr. Argue: The farmer pays 75 per cent of the premium cost and the federal government pays 25 per cent, and the provincial and federal governments share the administrative costs.

The new administration in Saskatchewan has a committee which goes around the province studying crop insurance. There has been an indication that it might be desired to bring in compulsory crop insurance in Saskatchewan. This may or may not be a good thing; I would have my doubts. I would hesitate to support such a compulsory program without first being convinced that it is really necessary. If compulsory crop insurance is introduced and works out well, of course, it will assist the political fortunes of the provincial government. The reason it would be successful is that the taxpayers of Canada from one coast to the other, through the federal Treasury, would pay a large part of the cost of providing such crop insurance, and make it possible for the provincial government to undertake the scheme. I would think there are even greater dangers in such a program being adopted than the one I have already mentioned.

• (1520)

I am pleased that Bill C-5 contains an amendment, to be found at page 2, reading as follows:

> Section 16 of the said Act is amended by adding thereto, immediately after paragraph (b) thereof, the following paragraph:
>
> "(b.1) every loan made under this Act shall be made,
>
> (i) in the case of an individual, only to a Canadian citizen or to a landed immigrant within the meaning of the Immigration Act . . ."

This means that the funds are available to a Canadian citizen or a landed immigrant.

In the Province of Saskatchewan, however, at the 1972 session of the legislature Bill No. 115, entitled an Act respecting the Foreign Ownership of Agricultural Lands in Saskatchewan, was introduced. It defines a non-resident in clause 2, as follows:

> (d) "non-resident person" means:
>
> (i) an individual who is not domiciled in Saskatchewan.

The bill provides that in order to farm in the Province of Saskatchewan one must be a resident of the province. A non-resident who wishes to farm in Saskatchewan has one year in which to dispose of his land. If I leave my farm to my son—

Hon. Mr. McDonald: May I ask a question? Is it not true that not only must you be a resident of the province to farm in Saskatchewan, but you must also be a resident in order to own land?

Hon. Mr. Argue: That is the whole point. This really has nothing to do with the farming as such but with the ownership. A non-resident of Saskatchewan cannot own farm land there.

[Hon. Mr. Argue.]

If I leave my farm to my son Greg, and he continues to work in Ottawa and to live, as he does, in the Province of Quebec, he has one year in which to return to Saskatchewan or he must dispose of the farm. In my opinion that is vicious, hideous legislation. It is un-Canadian and just as separatist as any legislation can be. I think this is a vile and vicious piece of legislation. Are we to turn over the administration of the federal small farms development program to a province that brings in such restrictive land ownership legislation?

Not only was this bill presented in the legislature, but a land bank act was introduced. This is an act under which the provincial government will purchase land and lease it to farmers on a long-term basis for sufficient cash rental to cover the interest rate applied to the purchase price of the land plus taxes. It was thought in Saskatchewan that the federal government might come forward soon with its small farms development program, perhaps even administered by the Farm Credit Corporation as a national act. In view of this it was decided that they would rush in quickly with their land bank act, which provides for the provincial government to handle the development of land, purchasing and leasing it. Then, to make the net even wider, they announced that in order to own and farm land in Saskatchewan it will be necessary to be a resident of the province.

In terms of doing a job in the development of farms in Saskatchewan—even if one agreed, which I do not, with their land bank development program—there is such a small sum of money involved, namely $10 million, that it is almost frivolous. If a farm costs $40,000, that $10 million would purchase only 250 farms. Such a number out of a total of 75,000 farms would take 300 years or thereabouts before the cycle would be completed once. Well, no one wants them to complete the cycle once. In my opinion, however, 250 farms purchased in one year for the land bank development program in relation to 75,000 existing units means that it is a quite frivolous program.

Therefore, in the interests of Canadians, in the interests of a national plan, and in the interests of ensuring that there is a federal presence when the federal government provides the funds, I am pleased that this amendment is provided in Bill C-5. I hope the present Minister of Agriculture will stick to his guns and administer his own small farm adjustment program.

If the federal government, with its small farm development program, goes into Saskatchewan and does the kind of job I think it should and will do, the land bank development program will fade away. It will be seen to be what it really is, a very tiny effort based on a false premise, and, coupled with their Bill 115, that it constitutes a vicious attack against the rights and privileges of Canadians—

Hon. Mr. McDonald: Hear, hear.

Hon. Mr. Argue: —who happen to have been Saskatchewan residents at one time and who now at any rate own land in that province.

I agree that certain amendments could be introduced which would improve this type of legislation. I am confident that in the future amendments will be made to improve it but, as Senator Michaud has so ably demonstrated in his presentation to this house, this is good

legislation and should command the full support of the Senate.

Hon. Mr. Phillips: May I direct a question to the honourable senator who just finished his remarks. Will he please tell me whether he is in favour of federal-provincial co-operation, or opposed to it?

An Hon. Senator: Both.

Hon. Mr. Argue: I am in favour of federal-provincial co-operation, but I am not in favour of every province having a veto over action which the federal government has a constitutional right to take.

Hon. Hervé J. Michaud: Honourable senators—

• (1530)

The Hon. the Speaker: I must remind honourable senators that if Senator Michaud speaks now, his speech will have the effect of closing the debate on second reading.

Hon. Mr. Michaud: I have listened with keen interest to the very pertinent remarks made during the debate on this bill, and I hope that everyone concerned will make it a point to present their views before the Standing Senate Committee on Agriculture when it meets. If the bill receives second reading, it is my intention to move that it be referred to the Standing Senate Committee on Agriculture.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Michaud, bill referred to the Standing Senate Committee on Agriculture.

BUSINESS OF THE SENATE

On the Notice of Motion for Adjournment:

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until tomorrow, July 6, 1972, at eleven o'clock in the forenoon.

Honourable senators, it is my understanding that a bill dealing with certain labour problems in the Province of Quebec has been given first reading in the other place, and that second reading will commence at approximately 4.30 this afternoon.

It is most difficult to predict what course the bill will follow in the other place. I can recall similar circumstances when legislation of this type passed very rapidly through the House of Commons, but on other occasions it has taken an extended period of time. However, in case the legislation should receive rapid approval in the other place, it seems to me, after discussing the matter with several honourable senators, that we would be wise to meet at eleven o'clock tomorrow. If the bill does not reach us by eleven o'clock, we can proceed with whatever items are on the Order Paper, and then adjourn until our regular hour of two o'clock.

In view of the fact that it is desired to commence the summer recess as early as possible, it seems to me that the majority of senators would prefer to deal with the bill as soon as they can. That is the reason why I have moved that we meet tomorrow morning at eleven o'clock rather than at 2 p.m.

Hon. Mr. Flynn: May I ask the Deputy Leader of the Government if an agreement has been reached in the other place to sit tonight?

Hon. Mr. McDonald: I have been told that there has been an agreement, but I do not know whether that is true.

Hon. Mr. Flynn: If there is no agreement to sit tonight—

Hon. Mr. Martin: That matter has not yet been discussed. I think it will be discussed some time between 4.30 and six o'clock.

Hon. Mr. Flynn: We would like to co-operate with the Leader of the Government in this respect. I was merely trying to be helpful and practical in the circumstances. It seems to me that if no decision has been reached in the other place to sit tonight, we may be returning at eleven o'clock tomorrow morning for nothing. That is why at one time I indicated to the Leader of the Government that perhaps we could adjourn during pleasure until six o'clock to see what progress had been made in the other place.

Hon. Mr. Phillips: May I direct a question to the Deputy Leader of the Government? Bill C-5 has been referred to the Standing Senate Committee on Agriculture. At what time will that committee meet and is it necessary to seek leave for the committee to meet while the Senate is sitting?

Hon. Mr. McDonald: It was my original understanding that Bill C-5 would be considered by the Standing Senate Committee on Agriculture at ten o'clock tomorrow morning. I am sorry that the information I gave to the Leader of the Opposition was not as recent as that given by the Leader of the Government. I can see some justification in the suggestion of the Leader of the Opposition that we meet later today. I intended to speak to the chairman of the committee to see whether it would be possible for the committee to meet at nine o'clock tomorrow morning rather than at ten, in the hope that it could complete its study of the bill by the time the Senate sits at eleven o'clock.

However, I am in the hands of the Senate. I have no objection to meeting later today, at eleven o'clock tomorrow morning, or whenever the majority of honourable senators might wish, in order that we might accomplish the most.

Hon. Mr. Phillips: May I suggest that the Leader of the Government ask permission for the committee to meet while the Senate is sitting. I am sure that in view of these unusual circumstances the request would be granted. If we find that the bill reaches this house while the committee is sitting, the committee can adjourn and resume at a later hour. I do not share my friend's optimism that by eleven o'clock tomorrow morning we will have received the legislation from the other place.

Hon. Mr. McDonald: Liberals are always more optimistic than are Conservatives.

Hon. Mr. Phillips: But look at what your optimism has done to the country.

Hon. Mr. McDonald: If it meets with Senator Phillips' approval, I would be prepared to ask leave that the committee sit while the Senate is sitting. I would like the members of the committee to return to this house for a few minutes at eleven o'clock. If necessary we will obtain permission for the committee to sit tomorrow morning while the house is sitting.

Motion agreed to.

The Senate adjourned until tomorrow morning at 11 a.m.

THE SENATE

Thursday, July 6, 1972

The Senate met at 11 a.m., Hon. Maurice Bourget, P.C., Speaker *pro tem*, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Copy of a report entitled "The Canadian Northwest Transportation Study", dated November 1970, prepared for the Ministry of Transport by Hedlin Menzies and Associates Limited.

Report of Canadian Commercial Corporation, including its accounts and financial statements certified by the Auditor General, for the fiscal year ended March 31, 1972, pursuant to section 13(1) of the Canadian Commercial Corporation Act, chapter C-6, and sections 75(3) and 77(3) of the Financial Administration Act, chapter F-10, R.S.C., 1970.

Statement of expenditures and financial commitments made under the Veterans' Land Act for the fiscal year ended March 31, 1972, pursuant to section 49 of the said Act, chapter V-4, R.S.C., 1970.

CANADA LABOUR CODE

BILL TO AMEND—THIRD READING

Hon. Paul Martin moved the third reading of Bill C-183, to amend the Canada Labour Code.

Hon. John M. Macdonald: Honourable senators, any legislation dealing with the relationship between labour and management is, of course, of particular interest at this time when there appears to be so much unrest in this field. Every day we hear of strikes of one kind or another and very often now they are by people such as school teachers, hospital workers, policemen and the like, who normally resolve their difficulties without a work stoppage. Certainly when strikes occur which affect the public at large by causing inconvenience, hardship and irritation, then the whole system of collective bargaining is called into question. There is speculation that the system has broken down and is no longer adequate for its purpose. And this attitude, while understandable, is not, I think, a fair assessment of all the factors involved. It is not enough to deplore the actions of longshoremen, freight handlers or hydro workers and the like when they go on strike, and to condemn the whole system of collective bargaining as a means of settling disputes. No system can be perfect and no doubt sometimes strikes occur when they should not. However, I think it is most important, especially at the present time, that we keep a sense of proportion. We should not lose sight of the fact that thousands of collective agreements are entered into as a routine matter without any publicity and, indeed, no one but the parties involved hear about them. It is, I think, a fact which must be accepted that such ordinary agreements and pleasant relationships between labour and management have no news value, while disputes and disagreements do have news value and are given wide publicity. It seems to me that the pattern, as it were, has changed. I have not seen any statistics to prove it but my impression is that there are very few strikes now in industrial plants or in mining and steelwork and that type of industry.

• (1110)

The likelihood of strikes occurring seems to be in the industries which provide a service, and it is these strikes which annoy and exasperate the public as a whole. The point I am trying to make is that when the public appear to lose patience with labour unions and demand some kind of governmental control over them, we should not, as I mentioned, lose our sense of proportion. It should then be remembered that while the system of collective bargaining as it has developed over the years is not a perfect system in so far as maintaining industrial peace is concerned, it is the best system yet devised under our democratic way of life which has a reasonable chance of bringing about equitable settlements of disputes between management and labour.

Honourable senators, the controversial part of Bill C-183 is comprised of those sections dealing with technological change. The problem, of course, is to encourage technological change so that Canadian industries can compete in both the domestic and foreign markets and at the same time minimize any adverse effect of such change on the workers in those industries. Certainly such changes are bound to take place; indeed, they must. So the problem resolves itself into what protection can be given to the workers directly affected. Sections 149 and 153 of the bill attempt to do this in a small way. Obviously workers cannot be given complete job security, and everyone realizes that. The bill does not claim to do more than to be helpful to the comparatively small number of workers in industries under federal jurisdiction who do not now have the protection the bill will provide, but it should be an example, an incentive, an encouragement for provincial jurisdictions to pass similar legislation. While I feel that this bill is good legislation I hope too much will not be expected of it.

I do not regard its proposals for technological change as being a radical departure from the present practice, or a spectacular breakthrough in management-labour relations. Rather I think it is but a logical, orderly and reasonable development of a process which has been going on for a long time. It is that process which slowly over the years has been giving some protection to workers against the ruthless play of economic forces. This development or evaluation began many years ago when labour unions ceased to be classed as unlawful assemblies. I hope that this process will continue.

If I might digress for a moment, I wonder what would have been the result if at the beginning of the industrial revolution the labourers themselves had been considered to be the first and most important factor in the production of goods. I suppose they were not because in these days and for a long time afterwards the supply of capital was

much less than the supply of labour. Those who possessed capital were able to choose where they would use it, while the man who possessed nothing but his labour had no choice. His family had to eat. So it is my conviction, honourable senators, that but for an accident or chance of history the situation might well have been reversed, and human beings, the men and women who make up the labour force, would have been regarded as the first and most important factor in our economic system, and capital and management as a secondary force which over the years would have been seeking to redress the balance.

However, fate decreed otherwise, and it has been the human element which has had to strive and fight for a measure of justice so they could enjoy, at least to a minor extent, what the preamble calls the fruits of progress.

The amendments dealing with technological change have not been pulled out of the air. They are in response to an insistent demand by members of the labour force for more job security, and it is interesting to note that this strong and insistent desire for such security is not confined to any one sector of the labour force. True it is more evident in industrial plants and other industries which are subject to sudden and quick technological change, yet the same kind of security is being demanded by those in what are known as the professional services, such as university professors, school teachers, and the like.

We must ask ourselves why there is now this strong and insistent demand for job security? Certainly, as it has been pointed out, a person who has spent many years at one job, and who is very skillful at it, needs and deserves all the protection which can be given to him if that job is abolished. If retraining can help, let him have the best we can offer. If early retirement with a pension is the answer, let him have it. But it should also be recognized that if a person has given most of his working years to an industry, then that industry has a moral obligation to care for him, at least in part, if his job is abolished, and the government alone should not have to bear the full responsibility. We should recognize not only that there is a strong and insistent demand for job security at the present time, but recognize and acknowledge also the reasons for it.

Many of us remember the great depression of the thirties. It was, I believe, the suffering and hardship brought on by that economic depression which was responsible for the great demand for security which resulted in our social security program. The hardship, the suffering and the distress of that time was fundamentally the result of lack of employment, and as the employment picture became brighter during and after the war the demand for job security receded. It is strong again, and I believe it is strong because of the fear of unemployment, the fear of a man that he will not be able to provide for his family. I believe the high level of unemployment, which prevents the reabsorption of displaced workers into the labour force, is one of the reasons, and perhaps the main reason, for so much labour unrest at the present time.

Honourable senators, as I believe the amendments contained in the bill will be helpful to those who may lose employment through technological change, and will not be harmful to management and industry, I support the bill. However, it will not cure or even alleviate the major cause of labour unrest. It is my profound conviction that the great cause of labour unrest is the fear of unemployment. Remove that fear and there will be, I believe, a long period of industrial peace and harmonious relations between labour and management, and the public. I feel it is our first and primary duty to try to remove that fear by providing employment.

• (1120)

Hon. Edward M. Lawson: Honourable senators, I think that I too will deal with the question of technological change, but before doing so it might be well to examine some of the very critical areas dealt with by this legislation that have been somewhat overlooked, as far as I can determine, by those who have preceded me in this debate.

The question was raised in the committee yesterday—and I believe there has been concern expressed in the other place in this regard—as to why we need a preamble to a bill dealing with labour relations. I was present at a meeting between representatives of labour throughout Canada and the cabinet. Concern was expressed at that meeting that nowhere in any existing labour legislation was there any acknowledgment of the existence of labour, or of its being here to stay. There are companies and industries across Canada who do not accept the philosophy that labour is here to stay. They are waiting for that magic morning when they can wake up and find that the trade union no longer exists. Strong representation was made by labour at that meeting that such a preamble be contained in labour legislation, and that the principle of labour and management having constructive labour relations should be acknowledged.

There are a number of other changes. One, in particular, deals with the somewhat overlooked blight on a number of industries, particularly the trucking industry, both interprovincial and federal. There is now provision for independent contractors or lease operators to be certified. Many people feel that that is not really a very important point, but perhaps they should be made aware of just how important it really is. There are literally hundreds and hundreds of lease operators or individual operators operating in the transportation industry across Canada. Unfortunately, heretofore they were not covered under any legislation whatsoever. Without denigrating the free enterprise system, many of these lease operators were gypsters of the worst form. It was not unusual to find that they were driving 15, 18 or 20 hours a day, and when they became too tired to carry on they would take pep pills or wide-awake pills or no-doze pills so that they could continue to operate on the highways. It should give you little comfort to know that the huge semi-trailer or tractor trailer coming down the highway may be driven by a lease operator or an owner-operator, half awake or half asleep and filled with pep pills so that he can operate, with no regulation or control on the number of hours he may work, and no supervision as to the condition of his vehicle. No regulations prior to the Canada Labour (Safety) Code governed this type of individual whatsoever.

I do not suggest that this is a cure-all, but if it makes provision for lease operators to be certified and governed by collective agreement, and—perhaps even more important from the legitimate operator's point of view—to be made to compete fairly in that they have to meet certain

minimum standards, I think it will be a large step forward.

Another very important area that perhaps has been overlooked is the make-up of a full-time Canada Labour Relations Board. Prior to this there was a representative board that met monthly or, if necessary, more often. It was not unusual for cases coming before the federal board, where there was any technical objection, to be set over for a month and then another month, and so on through the whole procedure. Nor was it unusual, in my experience, to have cases where the anniversary would arrive and still no decision from the Canada Labour Relations Board. This is not intended to be a criticism of the people who make up the board, but a criticism of the type of board.

Surely in 1972, with all the rapid changes taking place, there is a desperate need for a competent full-time board, meeting on a full-time basis, to deal with the many real and demanding problems that require a speedy decision. The proposal for a full-time board is a major improvement.

Another section that should be examined very carefully, because it has been talked about in this chamber before, is that which provides for certification of councils of unions. On the face of it it does not seem a very significant point. Perhaps the best example under federal jurisdiction is the airlines industry and the problems that have occurred there in the past months and years. There have been strikes of technicians, of controllers, of this group and that group. In my view, this is an area where legislation could do a public service. It does not make sense to me that one union in the airline industry can make a settlement, whether it is the pilots or another group, and go back to work, and a week or a month later another small union strikes the industry, closes it down and then settles that, and a week, a month, or six months later still another small union strikes the industry and closes it down. This provision for councils of trade unions, which may be utilized by those unions to meet together jointly or be certified collectively, with one set of negotiations so that the industry would be either totally operative or totally closed down, is a step in the right direction. It will minimize some of the confusing aspects that presently exist in labour relations.

Another change that is somewhat significant, and of which I have heard considerable criticism across the country, is the proposal for 35 per cent of the employees to petition for a representation election. I have heard many criticisms, some of which have been made to me personally, that it is somewhat undemocratic for 35 per cent to decide whether there will be a union in a particular plant or industry.

I think those who make that criticism do not understand the legislation or its application. The 35 per cent rule is merely proof of interest. If between 35 and 50 per cent of the employees of any given concern display proof of interest in having a trade union represent them, they may petition for an election, and an election will be held. Union representation will require a majority of those voting, and not less than 35 per cent of the employees must vote on the petition for certification.

It is really very similar to what exists under the Taft-Hartley legislation in the United States. It is very necessary legislation, because too often a union will make an application to be certified, and by the time it goes through the lengthy process of a part-time board, and all the other factors involved, particularly if there is any resistance by the company, the whole unit is lost, and the rights of the workers under the legislation are totally lost to them. This makes provision for a speedy determination, with a majority of the workers deciding whether to be represented or unrepresented. I think that is an important improvement in the legislation.

Another provision deals with the right of the board to review questions, in particular, questions of seniority, when company mergers take place. In the age of the conglomerate, mergers, and the putting together of companies, too often company A takes over company B. The employees are all now employees of company A, and the original employees there—and often it is the employees who are more guilty than the company involved—say to the group joining them from company B, "You will all go to the bottom of the seniority list." Even though they may have had five, 10 or 25 years' service with the company taken over, they find themselves on the bottom of the list.

Fortunately, a number of cases that have been decided in the courts now hold that where such a merger takes place there must be an integration of the seniority; there must be a dovetailing of the seniority so that there will be fairness. An employee with 20 years' service with company B would now have 20 years' service with company A. This is a very necessary rule in many cases to protect the employees from their fellow employees.

I am most anxious to see that section in the legislation adopted, because there is a current case under federal jurisdiction that has been decided to the contrary. To digress for a moment, it involves the Post Office, which is under federal jursidiction, where the Post Office has taken over private contractors. Employees who have worked delivering mail for 10, 15, 20 or 25 years, driving little red trucks while employees of the contractor, have now been taken over by the federal government. They are still driving little red trucks, except that now they are owned by the Post Office.

• (1130)

They have lost all their seniority. They now start with the federal government as civil servants, having lost all of their seniority and everything that flows from that. Most important, together with the seniority and the job security that flows from that, there are provisions in regard to additional holidays for 10, 15, or 20 years' service, and now the men who have spent most of their working lives in that work will start back at the bottom and try to rebuild most of their service. It would certainly be my hope that the federal government, in adopting this legislation, will see that in the other section of the federal government the same principle will be applied. I think that is important.

Honourable senators, one of the breeding grounds of discontent is where seniority is being eroded. When things like this happen, whatever excuses may be given, when there is no provision for the federal government or the Treasury Board to grant additional benefit or grant sen-

iority, they become main contributing factors to this feeling of unrest in relation to the loss of security.

I think it is fair to reveal my own interest. I function, as honourable senators know, in a full-time capacity in the labour movement. I function with the philosophy in my organization that everything must be done in the negotiations in order to effect a contract or settlement.

My personal philosophy is that when a strike takes place it is really no more than a public declaration that, on either side, we are not intelligent enough, or reasonable enough, or fair enough, or mature enough to find a solution. When a strike or lockout takes place it is really a public declaration of that failure.

I have been involved personally in many industry settlements this year. Contrary to all the unrest across the country, which I freely acknowledge, in my own organization we have been successful in making not less than six industry-wide settlements without any work stoppage. It is based on the philosophy that everything must be done to effect a settlement, and a large amount of consideration must be given to the question of job security.

Our best example is in the dairy industry of British Columbia, where we settled the industry contract there a few weeks ago. That makes 53 years of collective bargaining in that industry through that union, without a single day lost as a result of a strike or lockout.

It seems to me that if I had to describe how that came about, I would have to say it has simply been through good aggressive top management on one side, and a similar type of worker representation on the other. Those two parties were primarily concerned for the employee, for the industry, and for the community they serve. In that industry we have gone through technological change, automation, and merger, yet we have been 53 years without losing a single day of work. There are many examples like this in industry throughout the country, and we do not spend much time in talking about them. Nor should we do so. It seems to me that it is fair that we spend our time talking about areas where conflict does exist.

Honourable senators, although the question has been dealt with at some length, it may be timely for me to make a few comments on technological change. A question has been raised about the definition of "technological change" in the legislation, and it has been said it is too broad. I cannot agree with that; if anything, it is not broad enough.

It seems to me that we should simply say that if anything happens in industry that would result in the displacement of large numbers of employees, or a majority of the work force, some instant remedy must be found. Until this time there has been no provision, other than that negotiated directly between trade unions involved and the industries involved.

It should not be overlooked that the legislation would apply only to the organized companies and organized trade unions and that the unorganized work force, which is the large bulk of the work force, being almost 70 per cent of the total, will not have the protection of this legislation. I think the important principle has to be, if a situation is going to develop where workers are going to be replaced and no remedy has been negotiated between the parties, that there must be some very speedy decision-

[Hon. Mr. Lawson.]

making process available to those workers. I think it is fair to state that in 1972 there is no point in talking about denying this remedy to the workers involved, because if large numbers of workers are displaced arbitrarily or unilaterally by an employer or a particular industry, legislation or no, and if there is not a speedy remedy available, those workers will indulge in the sort of self-remedy which we are now witnessing in Montreal. They will simply lay down their tools and close the operation until some fair measure has been applied.

It cannot be the type of shotgun approach where we say, "Well, we are going to retrain them all." We went through that process of retraining large numbers of workers before. We took labourers who had been laid off and retrained them as iron workers. There were no jobs for the iron workers, and so all we succeeded in doing was to increase the educational level of the unemployed. We did not put anybody to work.

We also have to examine the psychological factors involved in respect of people who may be laid off or unemployed in eastern Canada, because they may just not be prepared to move to Ontario, western Canada, or anywhere else to find employment.

These are the kinds of things that have to be considered. But, more specifically, in the provision of the legislation there must be a broad definition. There has to be an easy remedy, by which applications can be made for a determination. From my own experience I am satisfied, whatever type of grievance may arise—whether it is one in respect of technological change or some other type of grievance—that it is a rare occasion that a strike takes place solely because of economic issues, because of the question of wage increases. In most cases in my experience it has been the lack of job security and a rather callous attitude—or perhaps careless attitude, would be a better description—on the part of the employer or industry resulting in long-service employees having their employment terminated without anyone even bothering to check or to care. Away they go. Grievances are left unsettled. Very small grievances are allowed to fester and ferment, and by the time contract time arrives the workers have saved up all their grievances collectively, and these little irritations are the ingredients of a major confrontation and a major strike.

That is why many times you wonder why, in spite of a very generous offer of wage increases and fringe benefits, you still do not get a settlement. That is why you find many times trade union officers recommending settlements and the members rejecting the recommendations. And many times it is because nowhere in the proposal is there any provision for punishing the so-and-so personnel officer or manager who did not take care of the worker's grievance at the time it was very real and important to him.

These are major contributing factors. I agree with Senator Macdonald that the question of unemployment is of very real concern, but if you are also concerned about searching for the major cause of the unrest that is taking place all across Canada today you must look at many of the psychological factors that are involved in the minds of employees—in other words, grievances, real or imagined. I know you must look at these because in my own experi-

ence I have found that 95 per cent of our employees are concerned about going to work, and doing a good day's work for a good day's pay with a reasonable assurance that they are going to be able to go to work tomorrow, the next day, the next month, and the next year, and to spend their working life in that particular occupation or industry. But when workers work under a contract, or sign a collective agreement, then, aside from the conditions in the contract with respect to wages, welfare provisions, the hours of work, overtime, and so on, the one real expectation they have—and I have heard it a thousand times when preparing for contract negotiations—is a guarantee, real, implied or understood, that if they have signed the contract for two years or three years, then all things presently existing in the contract, including their jobs, will be honoured for the full life of the contract.

Consequently, when a change takes place proposing the automation of a plant, you have a sudden wave of fear going right through the company or industry, with the employees trying to find ways and means of reacting. Some of them react very badly by closing the operation down. The fears, if unfortunately they are not resolved and resolved fairly, manifest themselves into a demand. The employees say, "Well, if we are not going to be here for our working lives, if we are only going to be here for a short time, then by heavens, we are going to make the employer pay, and pay dearly, for what few short work years we have with this company." Then you have the demand for larger and larger increases because there is no need to talk about loyalty or job security or long service, because they are nonexistent things.

• (1140)

Everybody thinks of technological change as having some major scientific involvement that is going to revolutionize the industry. But it does not come about quite like that. Sometimes it does, but as often as not it comes about by little things.

I know, for example, in our own industry we have glass-lined milk tanks whereby you can have milk coming from the cow through the process to the tank, and never touched by human hands; then to the delivery, to the completion, to the bottling, and finally to the home. We would then have drivers with glass-lined milk tanks driving 2,000 or 5,000 gallons down the highway, and being paid one rate for delivering this and then being paid a lower rate for bringing the tank back empty, because you cannot fill it with anything else.

Then somebody designed a 5,000-gallon plastic bag, so away went the glass-lined milk tank. Now you take the 5,000-gallon plastic bag and the same process applies. You put it inside a large 40-foot dry freight box, and the driver delivers the milk, and then puts the huge plastic bag, which now weighs 600 pounds, in the corner, and brings 25 tons of dry freight back. In this way his productivity is increased 100 per cent but rarely does he receive any additional remuneration for it. So he feels that something is wrong. This might not be something that is tremendously technological, but it is a change in the system and the driver says, "I am now giving 100 per cent more productivity to my employer, so what is my reward? What do I receive?"

In the canning industry that we are involved with they have a tomato picker. At first they found that this very fancy, expensive, mechanical equipment would pick tomatoes but would damage them, and because of this it was not used. But then some scientists developed a tomato with a tougher skin—much like some politicians. They have found now, as a result of a different hybridizing of the tomato, that the machine will work. As a consequence, the stoop labour has been eliminated. The machine picks the tomatoes and packs them on to refrigerated trucks, and they are delivered from California to Vancouver the same day, and dozens of workers have been replaced.

Then there is the matter of interprovincial transportation with sleeper-cabs. They can drive so many miles under the regulations, so they plan a trip that can be done within a ten-hour day. Then they set up terminals, and go into sleeper-cab operations. Then another trailer is put on the back with the result that they have now what they call trains because there are three trailers. These are looked after by two men. If I may digress for a moment, other problems are developing here because with the demand on the part of women for equal rights we are having some difficulty in this industry in working out the sleeper-cab team arrangements.

Honourable senators, there are these major changes, and the whole industry and the whole system can be revolutionized. Many people can be displaced and it really does not involve a major technological change—it is simply a larger piece of equipment.

Premier Bennett likes to talk about his visionary dam projects, and I am sure that in almost every province where such projects exist a dump truck is a dump truck. But where previously such a machine handled ten tons, the belly-dump type handles a hundred tons. So productivity is increased tenfold. But is it fair to say that the employee should expect a tenfold increase in his wages? He may get 10 per cent, but he does not get the 1,000 per cent that he honestly believes he is entitled to by virtue of the increase in productivity. I say to many of our groups who are involved, "You are not entitled to the full benefit of that. Surely the object of technological change and automation is to improve procedures, to make products available at a more competitive price, to benefit the consumer, to benefit the country, and to benefit the economy as a whole. You are entitled to your share, but surely just a fair share of that." These are some of the things that are involved in technological change.

But various things can happen and immediately they happen there must be a speedy remedy available, and that is why I think it is good to have in this legislation a provision for a hearing before a tribunal that can make a decision. I think it is extremely important that this should be available, not only for the decisions that that board may make but for the fact that that vehicle is there. In my view many industries and many unions will be encouraged to make their own settlements, because one thing that the employers and the labour unions realize very quickly is that they are better in their own hands than they are in the hands of any private or government agency making decisions for them. That is one thing that they are quick to agree upon, so I think it will encourage such provisions in collective agreements. It should not be

overlooked that in many provincial jurisdictions such provisions do exist for technological change. Severance pay formulas already exist, and such a provision will encourage more of them.

The one thing I am concerned about is the penalty provision. I thought in our discussion yesterday Senator Grosart made a valid point about this provision, and the technicians who were at the committee hearing with the minister left the impression that the penalty provisions would not necessarily be imposed, that they would simply issue an order to come. I think that is something that will be very quickly tested the first time an industry has to go before that panel because it has not met the requirements of the legislation. You are going to find more and more trade unions exercising the prerogative, and applying the penalty section. It would be expected, if they were found guilty of having failed to comply with the legislation, that it would be an offence under the act and they would expect to be prosecuted, and it would be expected that the prosecution would be successful. If that should not be the case then that section of the legislation, and virtually the whole provision about technological change, will go down the drain.

I am uncertain whether this is a good or a bad thing, but all across the country when there is a violation of the legislation by a trade union there is never any hesitation to prosecute it, but there is perhaps a bad habit on the part of industry, if the dispute is settled, to abandon the prosecution, so the question is never positively resolved and penalties, that would have a deterrent effect and make the trade union aware of its responsibilities under the legislation, are never imposed. This is a mistake, and I am sure all my friends in the labour movement will want to lynch me for saying this. I think it is a mistake on the part of industry, having initiated the prosecution, not to see it through to a conclusion, to determine the rights and wrongs of it, to use it as a deterrent and to have penalties imposed if penalties are deserved.

On the other side of that coin, it now appears that where there are infractions by industry the trade unions are not going to be so generous. They are not going to withdraw their prosecutions; they are going to press them. They are going to go to the courts, and the use of that method may very well replace the incidence of strike action. This constant rush to the courts by trade unions may lead us in the direction of labour courts, and perhaps that is a question we need to examine as time goes on.

Honourable senators, I want to say that the legislation as a whole, taking into account the changes that have taken place and the changes that are proposed, in the way it meets some of the complaints of those of us who have had to work under it, is such that I think no reasonable, fair-minded, enlightened employer has anything to fear from technological change provisions. If he is sincerely interested in working with his employees there are provisions whereby he can make his own arrangements. There are provisions for him to give notice, and there are many provisions and avenues available for him to work out the situation. Surely no technological change in any industry can be successful without the co-operation and consent of the employees. No fair-minded, reasonable employer has anything to fear from this section of the legislation.

[Hon. Mr. Lawson.]

For these collective reasons I endorse the legislation.

• (1150)

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. McDonald: Honourable senators, the best information we have from the House of Commons would indicate that we should adjourn this house now to reassemble at the call of the bell at approximately five o'clock. There is a possibility that at that time we will have before us Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec. If it is not here by then, I feel certain it will be by eight o'clock. In any event, at five o'clock we will probably receive the report of the Standing Senate Committee on Agriculture on Bill C-5, to amend the Farm Credit Act, and perhaps we could give the bill third reading at that time.

Honourable senators, I think it would be wise, in view of the approaching summer recess, to keep up with our work at all times.

Hon. Mr. Flynn: Would Senator McDonald indicate whether Bill C-230 will be the last piece of legislation to come to us before the summer recess?

Hon. Mr. Martin: Perhaps I should deal with this. I am going to a meeting very shortly and I can assure my honourable friend, without violating my collective cabinet responsibility, that I will bear in mind what I know is his wish and that of all of us.

While I am on my feet I would like to say that I know how the Leader of the Opposition felt when His Honour the Speaker *pro tem* asked Senator John M. Macdonald to take the chair. It meant removing a very valuable member from Senator Flynn's warrior group. I am sure all of us, regardless of where we sit in this house, are very pleased to see Senator Macdonald in the chair.

Hon. Senators: Hear, hear.

Hon. Mr. Flynn: We on this side of the house are also very happy to see Senator Macdonald in the chair. However, we would not have allowed this to happen had it not been for a rule of this house which permits His Honour the Speaker, or someone acting in his place, to leave the chair so that he can fight, if necessary.

Hon. Senators: Oh, oh.

Hon. Mr. Martin: I would not want Senator Flynn to regard the Speaker's gesture in asking Senator Macdonald to take the chair as in any way being an indication of things to come.

The Senate adjourned during pleasure.

At 5 p.m. the sitting was resumed.

CANADIAN WHEAT BOARD

REPORT OF COMMITTEE ON AGRICULTURE TABLED

Leave having been given to revert to Reports of Committees:

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, tabled the report of the committee, to which was referred the report of the Canadian Wheat Board for the crop year ended July 31, 1971, tabled in the Senate April 25, 1972, and asked that the report be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent record of this house.

The Hon. the Acting Speaker (Hon. Mr. Macdonald): Is it agreed?

Hon. Senators: Agreed.

(*For text of report see appendix, p. 608*)

FARM CREDIT ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Hazen Argue, Chairman of the Standing Senate Committee on Agriculture, reported that the committee had considered Bill C-5, to amend the Farm Credit Act, and had directed that the bill be reported without amendment.

The Hon. the Acting Speaker (Hon. Mr. Macdonald): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Flynn: Next sitting.

Hon. Mr. Michaud: I move, with leave, now.

Hon. Mr. Flynn: I do not see what is to be gained. We will have to sit tomorrow in any event.

Hon. Mr. Martin: Tonight.

Hon. Mr. Flynn: If we find it necessary we can revert to this item tonight, and give the bill third reading.

Hon. Mr. Michaud moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, we had agreed, of course, that we would come back tonight to deal with Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec. They were hopeful that they would be finished with the bill in the other place by six o'clock. That may not occur, but the Leader of the Opposition and I discussed the matter and agreed that we would be ready to deal with this important legislation as quickly as possible. Accordingly, we will be adjourning until eight o'clock this evening.

Senator Flynn asked this morning what our intention was with regard to other legislation. While I expressed a hope that there would be no other legislation, in my personal capacity I am bound to say that my wishes have not been met by the collective judgment of those who sit in the executive arm of government. The House of Commons will adjourn tomorrow at five o'clock, subject to royal assent being given to Bill C-230. I do not anticipate any problem in that regard. However, it is the government's intention to proceed with what is called FISP. I do not know why they call it that; it is really the family income security measure.

Hon. Mr. Flynn: Because they wish to suck dry the middle class.

Hon. Mr. Martin: Well, you are now anticipating the argument.

Following that they propose to bring forward the so-called foreign takeovers bill. I should say to honourable senators that I expect we will have to be here on Monday. I suggest that we should not wait until Tuesday to reconvene. I realize that if we do sit on Monday, many honourable senators will have to stay in Ottawa over the weekend and it will meet with their convenience if we assemble at two o'clock in the afternoon. I realize it is difficult for most senators, but I do not see any way of avoiding this. I thought I had better inform the house now that we will have to meet on Monday—in our usual large numbers, I am sure—to deal with these remaining pieces of legislation.

Hon. Mr. Connolly (Ottawa West): If any legislation comes to us.

Hon. Mr. Martin: If Bill C-230 is passed by this house, it will be given royal assent tomorrow. Bill C-183, to amend the Canada Labour Code, and Bill C-5, to amend the Farm Credit Act, which might receive third reading tonight or tomorrow, will also receive royal assent.

Hon. Mr. Flynn: I have just received a message that the other place have left Bill C-230 in abeyance and are now conducting the private members' business which means that Bill C-230 will not reach us at eight o'clock. I do not know if the leader has the same information, but I suggest that it would be useless for us to meet at eight o'clock.

Hon. Mr. Martin: What about nine o'clock?

Hon. Mr. Flynn: I do not think we will even have the bill at nine o'clock. As I have already told the leader, we do not intend to delay the passage of this bill.

Hon. Mr. Martin: I realize that.

Hon. Mr. Flynn: We will have some observations to make, of course. In any event, I do not feel we will gain anything by coming back tonight. I will not object if the Leader of the Government insists on coming back at eight o'clock, but I do not feel anything will be accomplished by it. We may or may not get other legislation from the other place tomorrow,. It is possible, but not likely. As far as the time of our return next week is concerned, we could have private discussions about that later.

Hon. Mr. Martin: I have now received further information and the situation is exactly as the Leader of the Opposition has stated it. I understand one honourable member refused to give consent to suspend the private members' hour. But there is still hope that Bill C-230 can be passed shortly after eight o'clock. In view of that, would it not be sensible for us to meet at nine o'clock? Perhaps I am wrong, but at least no one could say we did

not take every precaution. Also, there is the possibility of royal assent late tonight. I do not think that will occur for the simple reason that it would mean the bill would be proclaimed tomorrow, the day after receiving royal assent. This would mean that at 12:01 a. m. it would be possible for an indictable offence to be laid against anyone who did not comply with the act. For that reason I have great doubt as to whether there will be royal assent tonight, but there has been some discussion that it may be a desirable thing to do. In that event, I wonder if it would not be better for us to meet again at nine o'clock tonight.

• (1710)

Hon. Mr. Flynn: Do you mean for the purpose of giving royal assent tonight to Bill C-230?

M. Martin: Yes. I have just received a notice from the leader of the house in the other place that he would like to discuss this matter further.

Hon. Mr. Flynn: I cannot see what we would gain, but if this is the wish of the leader let us say we will adjourn during pleasure to reassemble at nine o'clock. The other place has not disposed of the bill, and I think it would not be fair for us to deal with the bill in one hour, even if we are all in agreement to pass it.

Hon. Mr. Martin: I fully agree. I readily agree that we should wait until tomorrow. It is just this business of royal assent that disturbs me. I suggest, therefore, that we adjourn until nine o'clock tonight.

Hon. Mr. Flynn: Until about nine o'clock.

Hon. Mr. Martin: Yes.

The Senate adjourned during pleasure.

At 9.20 p.m. the sitting was resumed.

ST. LAWRENCE PORTS OPERATIONS BILL

FIRST READING

The Hon. the Acting Speaker (Hon. Mr. Macdonald) informed the Senate that a message had been received from the House of Commons with Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

The Hon. the Acting Speaker (Hon. Mr. Macdonald): Honourable senators, when shall this bill be read the second time?

Hon. Mr. Martin: With leave, now.

Hon. Mr. Flynn: I have no objection to giving leave, but I am wondering what the present position is. Do I understand that the other place has adjourned? It was the understanding that they would adjourn right after passing this bill?

Hon. Mr. Martin: I am sorry, I do not know.

Hon. Mr. Benidickson: Without royal assent?

[Hon. Mr. Martin.]

Hon. Mr. Flynn: Until tomorrow.

Hon. Mr. Martin: I learn from the officials, who are nodding to me, that they have not adjourned.

Hon. Mr. Flynn: Are they proceeding with the other bills?

Hon. Mr. Martin: That was the intention.

Hon. Mr. Flynn: Leave is granted.

Hon. Paul Martin moved, with leave of the Senate and notwithstanding Rule 44(1)(f), that the bill be read the second time now.

He said: Honourable senators, as you all know, the purpose of the bill before us has been the subject of much public discussion in one of the Houses of Parliament and in the country. It is to provide for the resumption of operations at the ports of Montreal, Trois-Rivières and Quebec.

The dispute concerns the International Longshoremen's Association, which represents some 3,200 longshoremen employed at the ports of Montreal, Trois-Rivières and Quebec, and the Maritime Employers Association, which represents some 51 shipping and stevedoring companies operating in and out of those ports.

On April 19 of this year collective agreements were made, after exhaustive efforts by the Department of Labour, for a period extending to the end of 1974. On May 16, a work stoppage began. The issue at stake was whether or not management had the right to break up longshore gangs prior to the introduction of a computer dispatch system which was to be inaugurated in September. Management took the initiative of breaking up a gang working on a hatch, and ordered some members of the gang to work in a shed. The union contended that management did not have this right until the introduction of the computer dispatch system.

Immediate instructions were given to the Department of Labour's Montreal mediators to meet with the parties and urge that they refer the matter to arbitration as provided in the collective agreement, but both sides refused to take that step. On May 30 the Maritime Employers Association announced that it had suspended the longshoremen. For some weeks the parties refused to go to arbitration in spite of all efforts urging them not only to follow their collective agreement but to obey the provisions of the federal labour legislation which requires all disputes concerning the meaning or violation of collective agreements to be submitted to final and binding arbitration without strike or lockout action.

My colleague, the Minister of Labour, informed both parties on the 19th of last month that, unless advised by return telegram that either party was ready to proceed to arbitration involved in the violation of their collective agreement, an industrial inquiry commission would be appointed to investigate the dispute, provided that the employers terminated the suspension of the longshoremen and provided that the longshoremen returned to work. The Minister of Labour also indicated that he stood ready to meet the representatives of the parties in Ottawa at the earliest possible date to discuss such arrangements.

On June 20 and 21 the Minister of Labour and his officials met with both parties in Ottawa to discuss the

dispute and the usefulness of appointing an industrial inquiry commissioner. Subsequent to the minister's meetings with the parties in Ottawa on June 22, the Maritime Employers Association advised that it had now decided to initiate arbitration and formally requested Judge Alan Gold, the first arbitrator named in the agreement, to arbitrate the issues in dispute. The union, however, refused to participate in the arbitration hearings which commenced on June 27 last. Union officers with counsel made an appearance at the arbitration hearings which were held on June 29 only for the purpose, they pointed out, of arguing that the issues in dispute could not be arbitrated.

The arbitrator dealt with the four issues that had been submitted to him by the Maritime Employers Association and he concluded as follows:

> (1) Insofar as article 501-I is concerned, it is evident that there was a dispute between the parties concerning the interpretation and the application of the collective agreement. Under the circumstances, the men were obliged to continue working in accordance with the order given by management. Their failure to do so is a breach of this clause.
>
> (2) Insofar as article 501-J is concerned, it is equally clear that once these orders were given the President and the business agents of the Union had no right to hinder or stop the progress of the work nor to interfere with the exercise of the company's rights to determine and to direct methods of procedures of operation.
>
> In intervening as they did and in taking the men off the job, the Union, its President and its business agents clearly breached the provisions of this clause.
>
> (3) Insofar as article 6 is concerned, it is clear that the partial and total work stoppages that resulted were in direct contravention and breach of this clause and contrary to law.
>
> (4) Article 911, the issue at the root of this dispute, is in a sense irrelevant in view of the larger issues involved, for even if the union were right in its pretention—which I do not believe—it was wrong to act as it did. It should have had recourse to the grievance procedure, the accepted method of dispute settlement under the collective agreement and the law.
>
> The fact is, however, that on the merits of the question the Union is wrong. If there is ambiguity between article 3 of the old agreement and article 911 of the new it is readily dispelled by the clear terms of the Memorandum of April 3rd, 1972.
>
> Under the proper construction of the new agreement and the Memorandum I must conclude that management's stand was correct. Whatever the practice may have been before, it is clear that under the new regime (including the transitional period awaiting the installation of the computer) the practice was to be changed.
>
> In the result, I find that at all times material article 911 was in effect and the construction put upon its terms by management was in conformity with the agreement between the parties and that the orders given to the workers as a result were lawful and should have been obeyed.

Following the release of the arbitrator's report, from which I have just quoted, the International Longshoremen's Association decided that they would not accept the arbitrator's award.

On June 30 last the minister dispatched the deputy minister, Mr. Bernard Wilson, and the Assistant Deputy Minister for Industrial Relations, Mr. W. P. Kelly, to Montreal to arrange meetings with the Maritime Employers Association and the International Longshoremen's Association, and, if possible, to mediate conditions that would enable the ports to be reopened.

The key issues apparent in a return to work were: The lifting of the suspension of the employees by the employers; agreement by the union and the employees to accept the arbitrator's awards and return to work, and the calling back to work of the employees as and when work became available. Of course, the most important item had to do with the job security provisions of the collective agreement.

• (2130)

Officials of the department conducted intensive mediation over the holiday weekend and when it was evident the parties could not reach agreement they submitted a detailed proposal recommending the conditions which should prevail to bring about lifting of the suspensions and a return to work. The recommendations were to be submitted to union meetings on July 4, and the Maritime Employers Association was to consider the proposal the same day. I do not think I need outline what these proposals were because they have been given considerable public attention.

On July 5 the Maritime Employers Association informed the Minister of Labour that they would accept the proposals of the mediators. On the same day, however, the Montreal local of the ILA rejected clause 3 of the proposals dealing with job security—and this relates to the provision contained in clause 7 of the bill—and, although the Trois-Rivières and Quebec locals accepted the proposals, they did so with the proviso, also stipulated by the Montreal local, that legal proceedings initiated by the employers be dropped.

The question of legal consequences had not formed part of the mediators' proposals.

Accordingly, work has not recommenced at the ports in question, and the Minister of Labour in consequence introduced Bill C-230 in the other place yesterday. The purpose of this bill now before the Senate is to express public concern at the economic hardship created by the closure of the St. Lawrence River ports, and to ensure the reopening of these ports without further delay.

The bill requires that the Maritime Employers Association resume operations at Montreal, Trois-Rivières, and Quebec as soon as this bill comes into force. It also requires that the Longshoremen's Association direct its members to return to work forthwith.

Specifically the bill requires that union officers inform their members that any strike declaration, authorization, or direction previously given is invalid. All union officers must also comply with any order or request for the dispatch of longshoremen.

The bill stipulates that all longshoremen coming under the terms of the collective agreement must, when required, return to their duties. Union officials are enjoined from impeding or preventing longshoremen from returning to work.

The bill prohibits further strikes or lockouts under the terms of the collective agreement.

Clause 7 of the bill provides for the suspension of the job security plan in the collective agreement, subject to the decision of an arbitrator at an unspecified future date. The arbitrator may decide when the job security plan should come into effect, and he may modify the terms of that plan, which must necessarily be the case in that the fixing of a new date will alter the plan as drawn up in the collective agreement. The government has not asked Parliament to fix this date. The government does not wish to involve Parliament directly in one of the issues in dispute. Furthermore, we are not in possession of the economic factors involved. The establishment of a date is a very complicated matter and the Minister of Labour decided and recommended that it would be wiser to leave that for the decision of the arbitrator after he has heard all the evidence and has considered the merits of the case.

The job security plan in the collective agreement provides, as honourable senators know, for 37 guaranteed weeks of pay to the longshoremen, regardless of whether or not they are working. The difficulty arises in the case of men reporting to work for whom there is no work at this time. Under such circumstances, the employer is not in a position to honour the guarantee in the collective agreement.

The bill also provides, under the terms of clause 8, that the Minister of Labour may in the future refer matters in dispute to arbitration in the event that the parties fail to do so within a reasonable time.

Finally, the bill requires that work recommence at the St. Lawrence ports on the day after enactment. The act will expire when the collective agreement terminates on December 31, 1974, unless earlier rescinded by proclamation.

Although no specific penalty is attached to failure to observe the terms of this legislation, I would point out to honourable senators that under the terms of the Criminal Code, failure to observe the provisions of a statute of the Parliament of Canada carries with it a penalty of imprisonment of two years or fines in lieu thereof. It is, however, to be supposed that the will of Parliament, formally expressed in statute, will be respected and will meet with full compliance.

Honourable senators, these, in general, are the terms of this bill which I commend to the house. If it is desired that the bill should, after debate on second reading has taken place, be sent to the Standing Senate Committee on Health, Welfare and Science, there will of course be no objection. I commend this bill to the house, This is the sixth time in Canadian history that legislation involving an action by Parliament in respect of a labour dispute has been introduced. We all recognize that it is a serious matter, but we are also confident of the necessity of protecting the public interest.

[Hon. Mr. Martin.]

Hon. Mr. Flynn: Honourable senators, I think you will agree with me it is most difficult to completely digest legislation which was introduced only yesterday in the other place. We do not know enough about this bill to permit us to assess its implications. Since it is quite obvious this bill cannot receive royal assent this evening, and since, I am sure, it would be our desire to refer it to committee—at least this is my desire—to enable honourable senators to put questions to the Minister of Labour, I move that we adjourn until tomorrow morning. If the Leader of the Government agrees, I suggest we adjourn until 10.30 a.m. This will give us time to study what was said about this bill in the other place.

Hon. Mr. Martin: I agree.

Hon. Mr. Flynn: Before I move the adjournment of the debate and resume my seat I want to leave no doubt in the minds of honourable senators that we on this side of the house are willing to do everything within our power to provide for the speedy resumption of operations in the ports of Montreal, Trois-Rivières and Quebec. We support the objective of the bill, but we think there are some matters which should be put on record in connection with this kind of legislation.

I assume from discussions I have had with my colleagues on this side of the house, and from the discussion I had with the Leader of the Government, there will likely be no speeches other than mine on second reading. I am not trying to prevent any honourable senator from speaking. I am just suggesting that if such is the case the bill could probably go to committee around 11 or 11.30 tomorrow morning. It would then be ready for third reading, and royal assent tomorrow afternoon.

• (2140)

If my forecast and assessment are correct, honourable senators, I move the postponement of the debate until tomorrow.

Hon. Mr. Martin: I take it that you would prefer to leave the other items on the Order Paper until tomorrow morning.

Hon. Mr. Flynn: I think it was already decided that they should stand.

Hon. Mr. Martin: Honourable senators, in my opinion the arrangement suggested by the Leader of the Opposition is satisfactory. If any honourable senator has views on the matter, of course, he is free to express them. If there are no other comments to be made respecting the procedure to be followed in connection with this bill, I shall move the adjournment of the house until tomorrow morning at 10.30.

Hon. Mr. Flynn: May I ask, before we adjourn, if the Leader of the Government has information pertaining to other legislation that may come to us?

Hon. Mr. Martin: The House of Commons will adjourn tomorrow at 5 o'clock, subject only to obtaining royal assent to this bill. If the bill is ready for royal assent, then that house will adjourn at 5 o'clock. In the meantime they will resume discussion of the family allowances measure. If that is completed they will continue with the foreign takeovers bill. They have greater optimism over there than I have with respect to these two measures.

On motion of Hon. Mr. Flynn, debate adjourned.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. Paul Martin: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(g), I move that when the Senate adjourns today it do stand adjourned until tomorrow at 10:30 a.m.

Motion agreed to.

The Senate adjourned until tomorrow at 10:30 a.m.

APPENDIX

(*See p. 603*)

CANADIAN WHEAT BOARD

REPORT OF STANDING SENATE COMMITTEE ON AGRICULTURE PRESENTED BY HON. HAZEN ARGUE

Ottawa, July 6, 1972

The Standing Senate Committee on Agriculture, to which was referred the Report of the Canadian Wheat Board for the crop year ended July 31, 1971, tabled in the Senate on Tuesday, 25th April, 1972, has in obedience to the order of reference of June 26th, 1972, examined the said Report and reports as follows:

Your committee has learned with satisfaction that exports of Canadian grain during the current crop year ending July 31st will reach an all time record of approximately 800 million bushels, exceeding last year's previous record of 706 million bushels. The settling of the current labour strikes at St. Lawrence ports would increase the exports during the current crop year, but sales are firm and the 800 million bushel export figure will in all events be reached by July 31st or shortly thereafter. Your committee further notes the confidence of the board that there will be another increase in exports in the 1972-73 crop year establishing still another record breaking year.

It has learned that the two thousand hopper cars that will be placed in service in the transport of grain will add about ten per cent to the current railroad grain handling capacity and should assist the Canadian Wheat Board in reaching its high 1972-73 export goals.

The committee has noted that the Canadian Wheat Board is very much aware that current world market prices for wheat are low and the board supports, as soon as it is practical, the establishment of an effective international grains agreement. The most important single event that would firm world prices would be increased world purchases of wheat to the extent necessary to reduce the current large wheat surplus in the United States.

The Canadian Wheat Board reported that the unload of box cars at Thunder Bay is now in excess of 1800 box cars per day, up from the 1200 box cars per day that a few years ago was considered a practical maximum.

Great difficulties in winter transportation through the Rocky Mountains were experienced during the current crop year. West coast unloads in recent months have steadily increased and are now in excess of 800 box cars per day, up from the previously regarded maximum of 600 cars per day. It is desirable to take action to assure that this high rate of unload is maintained and in fact increased. To this end the board believes that certain construction by railroads to protect transportation through the mountains from snow slides and rock slides is required.

Also there is need for an increase of from 20,000,000 to 30,000,000 bushels in grain storage capacity on the west coast which would provide available grain for an additional 15 to 30 days in the event of interruption in the delivery of grain from the railroads. A further study at a later date, by the committee, of railway transportation and west coast facilities may be useful.

THE SENATE

Friday, July 7, 1972

The Senate met at 10.30 a.m., Hon. John M. Macdonald, Speaker *pro tem* in the Chair.

Prayers.

FARM CREDIT ACT

BILL TO AMEND—THIRD READING

Hon. Hervé J. Michaud moved the third reading of Bill C-5, to amend the Farm Credit Act.

Motion agreed to and bill read third time and passed.

ST. LAWRENCE PORTS OPERATIONS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of honourable Senator Martin for second reading of Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec.

Hon. Jacques Flynn: Honourable senators, as I said last night when I moved the postponement of the debate, I and those around me on this side of the house are in full agreement with the purpose of this bill, which is to provide for the resumption of operations at the ports of Montreal, Trois-Rivières and Quebec. The facts of the situation giving rise to this legislation are not in dispute, generally speaking, and they were put on the record by the Leader of the Government yesterday as they had been put on the record of the other place by the Minister of Labour earlier yesterday.

We have here a situation where an illegal strike began on May 16 last, over 50 days ago. That strike is causing and has caused a great deal of damage to the Canadian economy. That strike is causing and has caused tremendous losses to many people, including the longshoremen themselves. There is no question whatever but that this strike must end, and end now. It simply cannot be allowed to continue. That the government should act, there is absolutely no doubt; that the government should have acted earlier, there is equally no doubt. The situation has deteriorated over the last 15 days. I suggest to honourable senators that it is due more to the inaction of government than to any other factor.

• (1040)

As I have said, the facts are not contested—at least the fact that we are dealing with an illegal strike. This was obvious from the beginning and was confirmed by the findings of the arbitrator, Judge Gold, in his judgment from which the Leader of the Government read a portion yesterday. What I wish to put on record, and which, unless I am mistaken, was not quoted by the Leader of the Government, is the conclusion of the judgment of Judge Gold which reads as follows:

> For the foregoing reasons the grievance herein is hereby maintained—à toutes fins que de droit—and I hereby find and declare:
>
> (1) That the union and its members have violated the provisons of article 501-I of the collective agreement;
>
> (2) That the union, its president, Mr. Jean-Marc St-Onge, and its business agents, Messrs. Claude Guay, Theodore Beaudin and Jean-Baptiste Tremblay, have violated article 501-J of the said agreement;
>
> (3) That the strike by the union and its members is illegal, constituting work stoppages in violation of article 6 of the agreement and contrary to law;
>
> (4) That the construction placed by management upon article 911 of the agreement was correct and that the orders given in consequence were lawful and should have been obeyed by the employees concerned.

The judgment, as honourable senators know, was rendered on June 29, which is only a week ago.

If the union had complied with the collective agreement and acted in conformity with the Canada Labour Code, and submitted its grievance to the arbitrator immediately, and had not ordered the men to stop work, this decision could have been rendered some time in May and the strike could have been avoided. But in any event, as I say, instead of observing the collective agreement, and instead of abiding by the law of the country, the union decided on a work stoppage.

The other facts which followed and which have given some ground for criticism in the other place of management's attitude in this conflict, I think are, even if correct—which I do not accept—merely consequential upon this very fact that at the beginning there was a violation of the collective agreement and of the law as it now exists.

The question is: What does the government or the Minister of Labour expect from this special legislation? I have studied Bill C-230 and can really find nothing in it which is not already provided in the Canada Labour Code or which could not be dealt with under ordinary civil law. It was obvious from the beginning that the strike was illegal because, as I mentioned, the collective agreement contained a clause providing that no strike would take place during the duration of the agreement, and that all grievances or disputes as to its interpretation would be submitted to binding arbitration. This was in accordance with the provisions of section 125 of the Canada Labour Code, which I shall quote:

> (1) Every collective agreement shall contain a provision for final settlement without stoppage of work, by arbitration or otherwise, of all differences between the parties to or persons bound by the agreement or on whose behalf it was entered into, concerning its meaning or violation.

That is very clear. Paragraphs 2 and 3 provide as follows:

> (2) Where a collective agreement does not contain a provision as required by this section, the Board shall, upon application of either party to the agreement, by order, prescribe a provision for such purpose and a provision so prescribed shall be deemed to be a term of the collective agreement and binding on the parties to and all persons bound by the agreement and all

persons on whose behalf the agreement was entered into.

(3) Every party to and every person bound by the agreement, and every person on whose behalf the agreement was entered into, shall comply with the provision for final settlement contained in the agreement and give effect thereto.

That is section 125 of the Canada Labour Code, and I put it on the record in order to establish, even if there had been no provision contained in the collective agreement, that the code requires that no strike should take place, and that all disputes pertaining to the interpretation or implementation of the collective agreement should be dealt with through compulsory arbitration. Therefore, we are not only faced with a private contract between the union and management, but are governed by a public rule, which is to be found in the Canada Labour Code. For this dispute was not a private dispute. It was a public problem right from the beginning, the origins of which, as I said, go back more than 50 days.

• (1050)

Of course, the management had recourse to the courts, and we all know that injunctions were granted, one by the Superior Court of Quebec ordering the men back to work. It is quite obvious that the injunctions were based on the provisions of the Canada Labour Code. Those injunctions were not obeyed. They were not respected by either the union leaders or members. Under the Code of Civil Procedure of Quebec, if one does not obey an injunction or order of the court, one is in contempt of the court. Section 51 of the Code of Civil Procedure provides as follows. I hope that I have the latest text, but I shall read what I have:

> Except where otherwise provided, anyone who is guilty of contempt of court is liable to a fine not exceeding five thousand dollars or to imprisonment for a period not exceeding one year.
>
> Imprisonment for refusal to obey any process or order may be repeatedly inflicted until the person condemned obeys.

That means that every day, from the day the injunction is granted, the court may pronounce a sentence of a fine not exceeding $5,000 or imprisonment for a period not exceeding one year, and it applies not only to the union leaders but to every member of the union who refuses to go back to work.

What does Bill C-230 provide? Clause 2 is an interpretation clause and need not be discussed. Clause 3 says:

> Forthwith upon the coming into force of this Act, each employer shall resume longshoring and related operations at the ports of Montreal, Trois-Rivières and Quebec.

As we know, this clause is not necessary because the employers have always been ready to resume longshoring and related operations.

Clause 4 says:

> (1) Each person who was an officer of a union on May 16, 1972 and each person who is an officer of a union on the coming into force of this Act shall forthwith give notice to the members of the union of which he was or is an officer, who are ordinarily employed in longshoring or related operations at any of the ports of Montreal, Trois-Rivières and Quebec that any declaration, authorization or direction to go on strike declared, authorized or given before the coming into force of this Act is invalid.

This is the case under the Canada Labour Code whether or not it is included in this bill.

Section 128(1) of the Canada Labour Code reads as follows:

> Except in respect of a dispute that is subject to the provisions of subsection (2),
>
> (a) no employer bound by or who is a party to a collective agreement shall declare or cause a lockout with respect to any employee bound by the collective agreement or on whose behalf the collective agreement was entered into, and
>
> (b) during the term of the collective agreement no employee bound by a collective agreement or on whose behalf a collective agreement has been entered into shall go on strike and no bargaining agent that is a party to the agreement shall declare or authorize a strike of any such employee.

That is the only part of section 128 that is applicable in this instance. Section 128(2) does not apply, so I shall not read it. Clause 4, therefore, merely repeats what is already set out under the Canada Labour Code.

Clause 5(1) states:

> Every person who is ordinarily employed in longshoring or related operations at any of the ports of Montreal, Trois-Rivières and Quebec and who is bound by a collective agreement to which this Act applies shall, when so required, return to the duties of his employment.

Why say that? They are already so required by section 128 of the Canada Labour Code to which I just referred. Why say "when so required" when they are already required? They have been required to return to work from the time the strike first began. Under the law, this has been an illegal strike right from the beginning. Why should we say that they shall return to work when so required? They are already required, and have been so required from the beginning.

Clause 5(2) states:

> No officer of a union shall in any manner impede or prevent or attempt to impede or prevent any person to whom subsection (1) applies from complying with that subsection.

Section 128 of the Code does not mention an officer of a union, but section 147(4) provides:

> Every officer or representative of a trade union who contrary to this Part authorizes or participates in the taking of a strike vote of employees or declares or authorizes a strike contrary to this Part is guilty of an offence and liable upon summary conviction to a fine not exceeding three hundred dollars.

I suggest to you, honourable senators, that clause 5 does not add anything to the law.

Clause 6 of Bill C-230 reads:

> During the term of the collective agreements to which this Act applies,
>
> (a) no employer shall declare or cause a lockout;
>
> (b) no person who is an officer of a union shall declare or authorize a strike; and
>
> (c) no person who is ordinarily employed in longshoring or related operations at any of the ports of Montreal, Trois-Rivières and Quebec and who is bound by a collective agreement to which this Act applies shall participate in a strike.

This clause merely repeats what is already provided in the sections of the Canada Labour Code which I have already read.

I come now to clause 7 of the bill. There is something special in this clause. It reads as follows:

> (1) The collective agreements to which this Act applies continue to be binding in accordance with their terms—

That is obvious.

> —except that the job security plans set out therein and all provisions that relate to or affect the operation of those plans, to the extent that they relate to or affect the operation of those plans, are of no effect until such date as is specified in an award made by an arbitrator pursuant to subsection (2).

• (1100)

> (2) An arbitrator selected or chosen as provided in the collective agreements to which this Act applies is hereby empowered, on the application of an employer, a union or the Minister of Labour, to make an award
>
> (a) fixing the date on which the job security plans set out in the collective agreements to which this Act applies and all provisions that relate to or affect the operation of those plans, shall come into effect; and
>
> (b) making such modifications to those plans and those provisions as in his opinion are required to give effect thereto on and after the date fixed by him.

This is, of course, a problem that has been created by the strike, and especially by the length of the strike. The problem is really private, not public; it is only incidental and consequential. I agree that possibly we are helping to clear the air in order to solve a difficult situation by providing for an adjustment of the job security plans included in the collective agreement and which, because of the strike, are impossible to implement at this time, since the funds have not been provided by the contributions of the employees because of their work stoppage.

I would go so far as to suggest that this is outside the competence of Parliament. It is really the problem of the parties themselves. We are saying, "Well, in view of the fact that you will have this problem, we are going to provide for an arbitrator who will try to adjust this plan to the circumstances that have been created by the length of the strike." In any event, I suggest to you, honourable senators, that if we had only this problem to deal with it did not justify the passage of special legislation by Parliament.

Clause 8 is also to some extent related to the problem of the plans. It provides:

> The Minister of Labour may refer any matter in dispute between an employer and a union to an arbitrator selected or chosen as provided in the collective agreement to which this Act applies where the employer or the union could have so referred the matter but failed to do so in a time that, in the opinion of the Minister, was reasonable having regard to the nature of the dispute.

As I say, this is related to the problem of job security, but it is wider in the sense that if a party to the collective agreement has a grievance and does not refer it to arbitration, the minister may do so. It seems to me to be childish.

We here have a case in which the union and the longshoremen thought they had a grievance. I am not too sure they thought they had a good grievance, but they thought they had a grievance, and they did not go to the arbitrator as provided in the collective agreement but decided rather to go on strike. It was their own business. Now it is said that the minister may refer the matter to an arbitrator.

I do not know what clause 8 will accomplish. If it is as successful as the last attempt—when the matter was referred to Judge Gold for decision, and his decision was completely disregarded and ignored by the union and its members—I do not see what it really can accomplish. It is already provided in the legislation that if you have agreements you go to an arbitrator, and you do not go on strike.

Honourable senators, I am coming now to the last clause, which reads simply:

> This Act shall come into force on the day immediately following the day it is assented to and expires on the termination date of the collective agreements to which this Act applies or on such earlier day as may be fixed by proclamation.

Of course, this is simply an operative provision. It means that the act will come into force probably tomorrow, and that it will apply during the period of the collective agreement. It will be remembered that these collective agreements were signed on March 30 last for a period of three years. But these collective agreements were governed, and were to be governed for their duration, by the Canada Labour Code. If I am correct in stating that this bill adds nothing to, and changes nothing in, the Labour Code then, whether you say this in clause 9 or not is completely immaterial.

I have been trying really to find out what we are attempting to achieve. Of course, the argument may be made that, although the bill does not provide any specific penalty, the minister has indicated that he is counting on the application of section 115 of the Criminal Code, which provides:

> Every one who, without lawful excuse, contravenes an Act of the Parliament of Canada by wilfully doing anything that it forbids or by wilfully omitting to do anything that it requires to be done is, unless some penalty or punishment is expressly provided by law, guilty of an indictable offence and is liable to imprisonment for two years.

Section 646 of the Code gives an option to the judge to impose a fine in lieu of the imprisonment provided here.

I say to you, honourable senators, that I am not too sure that the application of this section will do anything. At this point we are concerned with the criminal law. It will be noticed that the people will have to be "wilfully doing" something, or will have to be "wilfully omitting" to do something. That "wilfully" will have to be proven. Therefore, the intent will have to be proven before this legislation can be applied.

Should a new dispute occur after the union and the longshoremen, let us say, have resumed their operations and have obeyed this law or the Labour Code, whatever they decide, the question arises as to whether it will be considered as something coming under the Labour Code or as something coming under this special legislation.

Section 147 of the Labour Code provides penalties for contravention of its provisions. I think at this point I should quote section 147 of the Labour Code in order to make my point clear. I have already read section 147(4) but in order to make the context complete I will read the whole section:

• (1110)

> (1) Every employer who declares or causes a lockout contrary to this Part is guilty of an offence and liable upon summary conviction to a fine not exceeding two hundred and fifty dollars for each day that the lockout exists.
>
> (2) Every person acting on behalf of an employer who declares or causes a lockout contrary to this Part is guilty of an offence and liable on summary conviction to a fine not exceeding three hundred dollars.
>
> (3) Every trade union that declares or authorizes a strike contrary to this Part is guilty of an offence and liable upon summary conviction to a fine not exceeding one hundred and fifty dollars for each day that the strike exists.
>
> (4) Every officer or representative of a trade union who contrary to this Part authorizes or participates in the taking of a strike vote of employees or declares or authorizes a strike contrary to this Part is guilty of an offence and liable upon summary conviction to a fine not exceeding three hundred dollars.

You will notice that subsection (4) provides for a fine not exceeding $300 a day for every officer or representative of the union. If you calculate that over the 50 days that the strike has lasted you can see that if the court were to impose the maximum penalty provided in section 147(4), each officer of the union, if found guilty, would, under this provision, be liable to a fine of $15,000 up to the present time—$300 per day for 50 days. Nor is it necessary to prove the intent as is the case in the Criminal Code. The fine is simply there.

So I ask: What is going to happen after the resumption of the work if disputes of another kind arise? Will we go by section 147 of the Labour Code, or will we go by section 115 of the Criminal Code?

I come now to another point. This strike has lasted for over 50 days despite the fact that the Labour Code has in it all the provisions necessary to enable the minister to do something about the strike. As I have said already, we were not faced here with a strike of a private nature because, first of all, provisions of a public act were violated, and, second, it was obvious from the beginning that that kind of strike would soon hurt the public. In fact, it was so obvious that I cannot understand why the Minister of Labour, when he saw these obvious contraventions and violations of the Labour Code, did not after a few days simply warn the union officers involved and the longshoremen that he would resort to the enforcement of the act by prosecuting them under section 147.

If after one week the minister had adopted that attitude, or taken that strong position, the dispute might well have been resolved. Naturally, I would not expect him to invoke the measure without a fair warning. I realize that you cannot deal with problems of that kind on the basis of saying one day that you are going to lay charges the next day. There must be a period of warning. That is only fair. Nevertheless, I cannot see why the minister has never done anything when there has been such an obvious violation of the law and when, in fact, remedies for such violations actually exist in the Labour Code. Admittedly, they may not be very efficient, but they are just as efficient, I suggest, as those that could be resorted to after the passage of Bill C-230. This measure adds nothing to the law—nothing at all.

The fact is that the Labour Code has been violated and has not been enforced, and now the government, through the Minister of Labour, is asking us to make a new law by which to tell the union and the longshoremen to please obey the law. In other words, here we are passing a law ordering people to obey the law. That is the position in which the government finds itself today. I have never seen anything more stupid in the 15 years that I have been in Parliament. I have never before heard of legislation enacted to order people to observe existing legislation.

If what the government wanted was merely a moral declaration to persuade the longshoremen to stop their illegal strike, obviously it would have been quite easy to have Parliament declare: Stop disobeying the law and go back to work. We could do that, if that is what is wanted. If that is what this bill means, that is all right. In fact, that is why we are going to vote for it. We are saying to the longshoremen, "We are begging you to go back to work because you are acting in contravention of the present law, which we are repeating in case you did not understand it in the first instance." That, apparently, is what we are doing. We look a little bit silly, but if it achieves the objective, well, I am willing to look silly. But we do look silly, don't we? That is the position in which we find ourselves.

Honourable senators, I hope I have not kept you too long, although I have kept you longer than I intended. Perhaps I have quoted too many texts, but I thought it was important to put these facts on record. By way of concluding my remarks, I should like now to make one or two further observations.

In my opinion, something that is far more important than providing special legislation to deal with special cases is to have some permanent machinery provided in the Labour Code. I feel the government should seriously consider amending the Labour Code to provide such permanent machinery to deal with situations of the kind we have been faced with in the last 50 days. It may be that the Labour Code does not at the moment have the tools to be

truly efficient, but the unfortunate fact is that Bill C-230 is not going to add anything to it anyway.

This strike is an illegal strike, but there are strikes which are legal, and the fact is that it is not only illegal strikes that can hurt the public. Illegal and legal strikes can have equally bad results, but so long as a strike remains a private fight, so long as the public is not directly affected, then I can understand that the Minister of Labour would like to wash his hands of it and say, "Well, it is not my problem." That is precisely what he has been doing for the past eight weeks, but in this case not only was the strike not legal, it was not private. It was an illegal strike which hurt the public. Finally, the minister introduced Bill C-230 in an attempt to solve the problem, but the fact remains that this bill is meaningless and, in my view, permanent machinery should be placed in the Canada Labour Code to cope with such situations as they arise, and to cope with strikes which hurt the public, whether legal or illegal. Perhaps there could be something in the nature of a cooling-off period as is provided in the Taft-Hartley law or in the Quebec Labour Code. Sometimes that works; sometimes it does not. At any rate, that could be one measure employed.

• (1120)

Such a machinery could be reinforced by penalties which would provide, for instance, for the decertification of a union or even of an association of employers. It could provide for heavy fines in the case of lockout on the part of employers, although this is a situation which arises less frequently. But, as I say, it could provide for the decertification of a union or for the placing of a union under trusteeship.

In my view these tools should be embodied in the Labour Code and thus serve as a warning to the parties concerned that the minister and the government would eventually resort to such measures, the consequences of which would really be meaningful to the parties.

Honourable senators will remember that some years ago we dealt with a strike on the west coast by placing the union under trusteeship and in this manner solved the problems created by the situation. But that, too, involved a special act of Parliament because the tool did not exist to cope with situations like that. We must keep in mind that such a situation could develop while Parliament is dissolved and two months or two and half months or even three months could elapse before Parliament could be reconvened. What would be done in the meantime? While keeping in mind the precautions required to protect adequately the rights of the unions, the rights of the employers and the rights of the workers, the government should nevertheless equip itself to cope with strikes whether legal or illegal when they injure the public interest. This is the type of situation we are faced with today.

I am not convinced that the bill we are asked to pass today achieves anything in principle. In practice it seems to me that once Parliament has unanimously indicated that it wants this strike to end, and that it wants a resumption of stevedoring operations at the ports of Montreal, Trois-Rivières and Quebec, then the union, the officers of the union, the longshoremen and, of course, the employers should not hesitate to obey the law. Whether or not they obey this particular act of Parliament, I beg the Leader of the Government to consider the silly position in which we find ourselves today, and the difficult position in which the government could find itself tomorrow through not having proper machinery to enable it to curb or even avert work stoppages or strikes, whether legal or illegal, when they hurt the public interest.

Hon. Senators: Hear, hear!

Hon. Paul Martin: Honourable senators—

The Hon. the Speaker *pro tem:* I must remind honourable senators that if the honourable Senator Martin speaks now, his speech will have the effect of closing the debate on second reading.

Hon. Mr. Martin: Honourable senators, it is not my intention to endeavour—assuming I were able to do so—to reply to the points made by the Leader of the Opposition. He has pointed out that there are certain inadequecies in the existing law; he has emphasized that those things which we seek to do through this bill are already covered in other acts passed by the Parliament of Canada. Whether or not one fully agrees with the conclusions he has reached, there can be no doubt that his statement of the existing law and the effects of this particular bill are generally as he has stated them to be. It should be recalled, however, that the Labour Code is an act which does not apply to a particular situation, and no one knows that better than the Leader of the Opposition. I do not state the obvious merely for that purpose, but simply to indicate that the raison d'être for the action which we are called upon to take was itself emphasized by the Leader of the Opposition in his able speech when he said he intended to vote for this bill because it was a declaration by the Parliament of Canada regarding a situation that has had the serious economic consequences which we all know.

Honourable senators, the Labour Code is addressed to all labour disputes that come within the competence of the Parliament of Canada, but we are acting now in the rare circumstances faced by Parliament on five other occasions. One of those situations was experienced by the Leader of the Opposition when he was a member of the government headed by Mr. Diefenbaker, and he will no doubt recall the difficult circumstances surrounding that particular situation. I can myself recall at least two other situations in which the Parliament of Canada was called upon to deal, not with a general labour-management problem in the country but with a particular dispute, as we are now dealing with a particular dispute in this bill. I would think that if there was any doubt—and I am not suggesting for a moment that the Leader of the Opposition thought that in the final analysis there was any doubt—about the action we are now taking, it is set aside by the fact that in the other place all the political parties, even though they disagreed on some points, were unanimous that this action had to be taken by the Parliament of Canada.

The Leader of the Opposition complains about tardiness of action; he says that the Minister of Labour should have acted earlier. Well, honourable senators, I am going to propose that this bill go to committee so that we can hear the Minister of Labour on this point, and undoubtedly he will be able to deal with the argument made by the Leader of the Opposition in greater detail and with more

persuasiveness than I. I am sure the Leader of the Opposition, who has had a great deal of legal experience, is well aware that in situations involving the actions of hundreds of human beings it is not always possible to deal with such situations strictly according to the letter of the law or, indeed, to the letter of regulations that are intended *a priori* to deal with situations.

• (1130)

No one likes to interfere in the process of collective bargaining. It is for this reason that Parliament has rarely acted in the unique situation which confronts us at the moment. Parliament does not want to interfere with the process of collective bargaining and, indeed, in this instance we are not. This is, perhaps, the one case in which Parliament has acted where there has been no interference with the process of collective bargaining as was the case in at least four of the other instances where Parliament acted.

I believe that the law has been broken and the Canada Labour Code has not been respected. The principle of the collective agreement between the longshoremen and the Maritime Employers Association has been violated and, thereby, those who have violated the act have brought this within the mischief of the punitive arrangements available under the law or under that agreement.

While all that is so, I am sure that it will be found on questioning that the Department of Labour, anxious to see if it could not bring about a settlement, at least in the stage between the middle of May and the present time, and having assessed the full situation, acted as wisely and as constructively in the circumstances as I believe it was possible to act. Now, the Leader of the Opposition does not agree with me and I understand his argument. He has made it effectively. I can only say that having listened to the Minister of Labour in cabinet, and having listened to him in private discussions, I am persuaded that the course which he and his officers followed throughout the situation has been a wise one, and that the course we are now taking becomes necessary for the simple reason that it had finally reached the stage where hope of settlement by any other process was out of the question.

Hon. Mr. Choquette: Do you have to wait that long on every occasion?

Hon. Mr. Martin: I wish the problems were as simple as the question suggests. It is all very well for my dear friend, Senator Choquette, to ask this, sitting in the confort of his particular situation.

Hon. Mr. Flynn: Do you want to change places?

Hon. Mr. Martin: The Leader of the Opposition is suggesting that if I sat over there and he sat over here I would likely find objection to the course that the government in which he would be a distinguished member might be taking, although I suspect that he would not have the same argument for defence which I think in the circumstances is the case here today.

Clause 7 of this bill makes this particular legislative step of the Parliament of Canada essential. It deals with the problem of job security, rendered by the establishment of a fund which would enable longshoremen, in the event of unemployment, to obtain a guaranteed income for a period of time. Because of the employment situation—

[Hon. Mr. Martin.]

Hon. Mr. Flynn: You mean because of the strike.

Hon. Mr. Martin: —which arises as a result of the strike, the fund has been put in jeopardy. This provision of the bill, which gives an arbitrator the opportunity to determine when the job security provision in the contract should be resumed, is a vital one and is necessary for the men themselves and for the preservation of the principle. I am sure that this was a very important consideration in the minds of those longshoremen who admittedly have violated the law, and a very important consideration in their persistence in doing so.

In any event, no one likes to deal with this kind of legislation. We prefer to allow the parties to a dispute to work out their own arrangements. However, as the Leader of the Opposition implied, public interest is involved here. The government, whether or not it has acted as quickly as Senator Flynn would like, has acted. And because it has now acted there can be, in my judgment, no doubt about the desirability from a national standpoint of our supporting this bill as the Leader of the Opposition indicated his intention to do.

I believe there is nothing further that I wish to add. Just as quickly as we get second reading we can go to committee. The Minister of Labour and his officials will be there, and I am sure they will be prepared to deal with these questions, some of which were ably underlined by the Leader of the Opposition in his remarks a few moments ago.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker *pro tem*: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Martin: I move that this bill be referred to the Standing Committee on Health, Welfare and Science. Senator Lamontagne informs me that the committee will convene immediately in Room 356-S. In the meantime, I suggest that the house do now adjourn during pleasure to reassemble at the call of the bell at approximately 12.15 this afternoon.

Motion agreed to.

The Senate adjourned during pleasure.

At 12.35 p.m. the sitting was resumed.

ST. LAWRENCE PORTS OPERATIONS BILL

REPORT OF COMMITTEE

Leave having been given to revert to Reports of Committees:

Hon. Maurice Lamontagne, Chairman of the Standing Senate Committee on Health, Welfare and Science, reported that the committee had considered Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec, and had directed that the bill be reported without amendment.

THIRD READING

The Hon. the Speaker *pro tem*: Honourable senators, when shall this bill be read the third time?

Hon. Paul Martin: Honourable senators, with leave of the Senate and notwithstanding Rule 45(1)(b), I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

THE SENATE

QUESTION OF PRIVILEGE

Hon. Jacques Flynn: Honourable senators, I rise on a question of privilege affecting the whole Senate.

Yesterday in the other place the Prime Minister moved the following motion:

> That when the House adjourns following the third reading and passing of Bills C-170 and C-201, or, at the ordinary time of daily adjournment on Friday, July 7, 1972, as the case may be, it shall stand adjourned until a time to be fixed by Mr. Speaker, at the request of the Government, when the House may meet for the purpose of the giving of Royal Assent to any bills that have not been given Royal Assent;

That motion was amended to read:

> That when the House adjourns at the ordinary time of daily adjournment on Friday, July 7, 1972, provided that Royal Assent has been given to Bill C-230—

Of course, that will be done later this day, but as I read that motion it means that if the Senate were to receive Bills C-170 and C-201, or either one of them, the House of Commons would not meet to consider any amendments the Senate might make to those bills, but would only meet to give royal assent to them. In other words, that motion assumes either that the Senate will merely rubber-stamp those bills or that, to give it the most generous interpretation possible, if the Senate does make any amendments to those bills the House of Commons will only consider those amendments when it returns in the fall.

I am quite sure that the person who drafted that motion for the Prime Minister must have worked it that way inadvertently, but I think I should point out that as it reads now the motion is an insult to the Senate.

• (1240)

Hon. Paul Martin: Honourable senators, I shall certainly take a look at what my friend has said in relation to that motion. May I take this opportunity to point out that it is now proposed that we adjourn to the call of the bell at approximately 4.30 this afternoon?

May I also thank Senator Flynn and all honourable senators for the thorough way in which they have dealt with the measure we have just passed? I know that there will be a large group of senators here for the royal assent.

Hon. Mr. Flynn: There will be as many senators here as there will be members from the other place.

Hon. Mr. Martin: There will be even more. In this connection let me say to Senator Flynn that I have been keeping a tab not only on attendance at royal assents, but on attendances generally in the Senate and in the House of Commons. It is my definite judgment that our attendance record compares very favourably with the day-to-day attendance in the other place.

I understand that the House of Commons is presently dealing with another bill. Should that bill pass in that place before their adjournment at approximately 4.30 p.m.—because of royal assent—then, of course, we will have to deal with it next week. Here I am indicating once again the likelihood of our having to sit next week. I have already indicated my own personal preferences, but I had better not go on doing that in view of my responsibility as a member of the government. I shall not be here myself at 4.30 because of royal assent and the requirement that I be elsewhere, but I should like to take this occasion to say that if that legislation should pass in the other place, then I know there will be a large representation of senators here whenever we meet next week, whether on Monday or any other day.

I should also like to draw to the attention of the public, as I did last week and as Senator Flynn has already done, that should this legislation pass and should we be meeting next week, then in all probability we shall be meeting when the House of Commons itself will not be sitting.

ROYAL ASSENT

NOTICE

The Hon. the Speaker *pro tem* informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

OTTAWA

7 July 1972

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 7th day of July, at 4.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Colonel
Administrative Secretary.

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

At 4.30 p.m. the sitting was resumed.

THE SENATE

TRIBUTES TO HIS HONOUR THE SPEAKER

Hon. Paul Martin: Honourable senators, before I go to join the Deputy Governor General prior to his coming in the Senate chamber for the royal assent, and as we are not likely now to have to come back before September, and as one cannot really foresee the events of the next few months, and bearing in mind the precedent that was observed in the House of Commons this morning when tribute was paid to Mr. Speaker Lamoureux, I should like to say how much we all regret the absence of Mr. Speaker Deschatelets because of his accident. But I should like, notwithstanding that, to say how much all of us in the Senate appreciate the way that he has, since the spring of 1968, presided over the affairs in this chamber.

Hon. Senators: Hear, hear.

Hon. Mr. Martin: Speaker Deschatelets has been a distinguished Speaker, full of integrity and impartiality, imperturbable in the decisions that he had to make. He is a gentleman of the highest order. Those who have served with him in government know him to be a man of great character, and we value his friendship. And, so, when he comes to read these words in *Hansard* I am sure that he will know that I speak not only for myself, or for those of us on the government side, but for all.

Hon. Mr. Grosart: Hear, hear.

Hon. Mr. Martin: We respect his contribution and are grateful for the manner in which he has helped to direct our affairs.

[*Translation*]

I feel I should thank the Speaker of the Senate for his good services and offices during his term of office. Senator Deschatelets has always proved worthy of his post, full of integrity and always impartial. As I said when he took his oath of office, Senator Deschatelets is a great Canadian, most worthy of the office of Speaker of the Senate.

[*English*]

Hon. Mr. Denis: It is not over yet.

Hon. Mr. Martin: I heard Senator Denis say it is not over yet. Of course it is not over, and I do not wish this session to end but I have no control over the way it will end or how it will end—

Hon. Mr. McDonald: Or when.

Hon. Mr. Martin: Or when. But I do not wish it to end without taking the opportunity of paying this tribute to our Speaker.

Hon. Mr. Phillips: Hear, hear.

Hon. Mr. Martin: I should like to say to the Acting Leader of the Opposition how much we appreciate the co-operation we have had from the Leader of the Opposition and his colleagues. I am grateful to them for that.

I wish to thank the *Hansard* reporters, and the pages, both boys and girls. I believe that the Senate is the first institution of its kind to introduce girl pages into a deliberative assembly. The credit for that goes to Senator Fergusson. I wish also to thank all of the cleaning staff, and everyone who works for the Senate, for their loyalty to it.

As we bring to an end this session of the Senate and after much effort, I think we can say, notwithstanding what others may think, that the Senate does perform a useful service in the parliamentary life of our country.

Hon. Lionel Choquette: Honourable senators, I am very proud indeed to join with my good friend, the Leader of the Government, in praising the high qualities of our Speaker, Senator Deschatelets. He has discharged his obligations with dignity in this chamber, overseas, in the United States, and everywhere in Canada outside this chamber. I recall that in 1958—on January 31 to be exact—when I was appointed to the Senate the Speaker was Senator Marc Drouin, who presided with as much dignity as the Speaker *pro tem*, Senator J. M. Macdonald. Each time Senator Marc Drouin was absent I was called upon to replace him. On one occasion he went to Brussels—I think it was in 1959—for a period of supposedly one week. He sent me a wire saying: "Lionel, keep up the good work; I know you will do it better than I would." I met Senator Haig at the elevator and said, "Senator Haig, I hear that Marc Drouin will not be absent one week, but three weeks." He replied, "What do we care; that little French senator from Ottawa East is doing a good job."

Hon. Mr. Martin: He made a mistake in the use of the word "little."

• (1640)

Hon. Mr. Choquette: I knew then that it was a genuine and sincere compliment, because he was expressing it to someone whom he did not happen to recognize at the time.

As the leader has said, we extend our best wishes to our present Speaker. I cannot say that I hope he will occupy the chair after the next election, but I can say that he is well liked. He has discharged his obligations with dignity, and let us hope that whoever might succeed him will discharge his duties with as much dignity and affability as Senator Deschatelets has shown during his tenure.

[*Translation*]

Hon. Azellus Denis: Allow me to add a few words to tell you that I think we have forgotten those who substituted for honourable Senator Deschatelets—that is, honourable Senator Maurice Bourget, and our present Speaker, Senator Macdonald, who although he has filled this office for the first time, has acted like a master and expert. I congratulate him on behalf of all of us. I hope he will be going fishing, but I do not want him to come back and tell us that he missed the biggest fish.

If you stay home, I hope you will help your wife and children paint, and mow the lawn, and that your wife will be able to tell us, "When I was taking the garbage out, he was holding my arm."

May all have a nice holiday!

[*English*]

The Hon. the Speaker *pro tem*: As there is no business before the Senate, is it your pleasure, honourable senators, that the Senate do now adjourn during pleasure to await the arrival of the Deputy of His Excellency the Governor General?

Hon. Senators: Agreed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Canada Labour Code.

An Act to amend the Farm Credit Act.

An Act to amend the Pension Act.

An Act to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec.

An Act to amend the Representation Commissioner Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

DOCUMENTS TABLED

Hon. A. Hamilton McDonald tabled:

Report by the Textile and Clothing Board, dated December 16, 1971, relative to an inquiry respecting Acrylic Yarns requested by the Minister of Industry, Trade and Commerce, pursuant to section 9 of the Textile and Clothing Board Act, chapter 39, Statutes of Canada, 1970-72.

ADJOURNMENT

Leave having been given to revert to Notices of Motions:

Hon. A. Hamilton McDonald: Honourable senators, I move, with leave of the Senate and notwithstanding Rule 45(1)(g), that when the Senate adjourns today it do stand adjourned until Tuesday, October 3, 1972, at eight o'clock in the evening.

An Hon. Senator: On division.

Hon. Mr. McDonald: This adjournment, of course, is on the understanding that we are subject to recall.

Motion agreed to.

The Senate adjourned until Tuesday, October 3, 1972, at 8 p.m.

THE SENATE

Friday, September 1, 1972

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATOR LÉON MÉTHOT

TRIBUTES

[*Translation*]

Hon. Jacques Flynn: Honourable senators, if the Senate takes a holiday from time to time, as it should, it is a truism that death never takes any.

On August 6 last, our colleague the Honourable Léon Méthot died at his home in Baie Jolie, a suburb of Trois-Rivières, his small birthplace to which he was deeply devoted.

As we all know, his health had been noticeably failing for a few years, especially since the death in January last of his wife, his constant companion on whom he had always greatly relied.

Senator Méthot was a member of the first group of senators appointed by the Right Honourable John Diefenbaker. That was in October 1957. Our colleague therefore sat with us almost fifteen years, as long as his health allowed him to do so. He was very active in the Senate and on various committees, and in particular as a member of the Committee on Banking, Trade and Commerce.

His appointment to the Senate crowned a brilliant career with the Quebec Bar into whose ranks he was admitted in 1919. While practising law, Léon Méthot showed a special interest in federal politics. I believe I am right in saying that he took part in every election campaign in the last fifty years, that he attended as a delegate all the conventions of the party from that held in Winnipeg at which R. B. Bennett was elected in 1929, and that on two occasions he was a candidate for the riding of Trois-Rivières.

His five children, two boys and three girls, who are all personal friends, lose a beloved father.

His funeral in the Trois-Rivières cathedral which was attended by a great number of relatives and friends bears testimony to the love and esteem which our colleague enjoyed.

On behalf of the official Opposition, I wish to assure the family of Senator Méthot of our deep sympathy.

Hon. Paul Martin: Honourable senators, it is with much regret that we learned, last month, of the death of our friend and colleague, Senator Méthot.

One of our most faithful colleagues, he has always supported his party and extended, I am sure, to his leader in this chamber, the honourable Leader of the Opposition, his sober and constant co-operation. Senator Méthot was a passionate supporter of his party. He was appointed to the Senate almost 15 years ago. The Leader of the Opposition has, today, paid tribute to his career in the legal profession and detailed Senator Méthot's contribution to politics in Canada and particularly in Trois-Rivières, during the last 50 years.

There is very little I could add after so many tributes. Senator Méthot was a man of great distinction and, as everyone knows, a man of integrity. He will be mourned by all his fellow citizens and his colleagues in the Senate.

On behalf of honourable senators and in my own name, I wish to express our deep feeling of regret and extend to his children, to members of his family as well as to the Leader of the Opposition, our most sincere condolences.

[*English*]

DOCUMENTS TABLED

Hon. Paul Martin tabled:

Report on the administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1972, pursuant to section 26 of the said Act, chapter R-11, R.S.C., 1970.

Copies of contracts between the Government of Canada and the Town of Montague, Prince Edward Island, the Village of Nackawic, New Brunswick, and the Town of Westlock, Alberta, for the use or employment of the Royal Canadian Mounted Police, pursuant to section 20(3) of the Royal Canadian Mounted Police Act, chapter R-9, R.S.C., 1970. (English text).

Report on the activities of the Food and Agriculture Organization of the United Nations for the fiscal year 1971-1972, pursuant to section 3 of the Food and Agriculture Organization of the United Nations Act, chapter F-26, R.S.C., 1970.

Copies of Ordinances, Chapters 1 to 16, inclusive, passed by the Council of the Northwest Territories at its 1972 Second Session, pursuant to section 16(1) of the Northwest Territories Act, chapter N-22, R.S.C., 1970, together with copy of Order in Council P.C. 1972-1850, dated August 24, 1972, approving same. (English text).

Copy of Table of Public Ordinances of the Northwest Territories—1956-1972 (2nd Session), together with copy of Table of Ordinances or parts thereof that are required to be brought into force by order of the Commissioner. (English text).

Report on the operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1971, pursuant to section 9 of the said Act, chapter H-8, R.S.C., 1970.

Report of the Standards Council of Canada for the fiscal year ended March 31, 1972, including its financial statement certified by the Auditor General, pursuant to section 20 of the Standards Council of Canada Act, chapter 41 (1st Supplement), R.S.C., 1970.

WEST COAST PORTS OPERATIONS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-231, to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Paul Martin: Honourable senators, with leave of the Senate and notwithstanding Rule 44(1)(f), I move that this bill be read the second time now.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Mr. Flynn: There is no objection.

Hon. Mr. Martin: Honourable senators, in rising to propose second reading of this bill, I am sure that we all recognize that we meet today under extraordinary circumstances. It is rare for Parliament to be assembled in emergency session. It follows, therefore, that the decision to seek the recall of Parliament was precipitated by the most pressing of circumstances.

The interruption of operations at docks on the west coast has created an emergency situation in Canada and a serious situation in our grain markets abroad. Because of these special circumstances the government decided that the economic hardship to Canada of a prolongation of the strike was such as to warrant prompt remedial action by Parliament.

We are all sensitive of, and sympathetic to, the right of unions and employers to exercise their legal rights through the collective bargaining process. But the situation on the west coast is one in which the economic stakes are so great that the work stoppage constitutes a threat to the national interest.

It is important that our Asian customers, most notably the Soviet Union, China, and Japan, do not lose confidence in our ability to fill their orders for our products. If they do so, they will be inclined, naturally, to seek more secure sources of supply elsewhere. As a matter of fact, we are already 30 million bushels behind schedule in our shipments because of the existing situation on the west coast. As matters stand, shipping this backlog is going to be a backbreaking and expensive task. However, if we permit the situation to drag on longer the task of catching up will become insurmountable.

Our ability to provide our customers with wheat and other grains, potash, lumber and manufactured products, such as are shipped regularly from the west coast, plays a not insignificant role in our foreign policy and particularly in the objectives of our foreign policy. This is what the Prime Minister meant when before Parliament was recalled he observed, "This Government does not intend to permit the benefit gained by all Canadians from its international efforts to be dissipated by a prolonged closing of the ports."

The importance of trade in the development of bilateral relations with foreign countries is a well-worn, but nonetheless a valid, theme. I would suggest, therefore, that although the situation on the west coast presents primarily a grave economic threat it also jeopardizes to some degree our interest in certain aspects of international affairs.

I would like to explain the circumstances which gave rise to the situation on the west coast. Put briefly the problem is twofold, involving separate disputes affecting both the normal functioning of the docks as well as that of grain handling. The last collective agreement made between the British Columbia Maritime Employers' Association, which represents some 61 companies, and the International Longshoremen's and Warehousemen's Union representing 3,300 men, expired on July 31 this year. The agreement covered longshoring operations at Vancouver, New Westminster, Chemainus, Port Alberni, Victoria and Prince Rupert. The Department of Labour has been assisting in negotiations for a new agreement since early in June. Direct negotiations had taken place between the parties on five separate occasions since May, but no agreement had been reached by June 7, when the union requested the appointment of a conciliation officer. Two officials of the Department of Labour stationed on the west coast were appointed as a result of this request, but they were unsuccessful in securing an agreement. These officers recommended in their report that a conciliation board should be appointed.

The conciliation board which the Minister of Labour appointed on July 24 was chaired by Dr. Noel Hall. This board met with the parties on at least three occasions, late in July, reporting to the minister on July 31. The unanimous report stated that the board could serve no useful purpose because the union was not inclined to support third party efforts, insisting instead on the continuation of direct talks with the employers.

Under the provisions of the Canada Labour Code, the parties were legally entitled to conduct respectively a strike or a lockout commencing at midnight on Monday, August 7. On August 6 the port of Vancouver was closed as the result of a separate dispute involving the dispatch of longshoremen.

• (1410)

The Department of Labour, at the level of Assistant Deputy Minister, again sought, at the instance of the minister, to avert a stoppage of work, and Dr. Hall, as Chairman of the conciliation board, renewed his efforts. These efforts encompassed attempts to secure union agreement to load the grain on a voluntary and temporary basis through the National Harbours Board. The union had agreed to this procedure in 1969, but now it desired a permanent collective agreement, either with the board or another agency of the government, an agreement which would replace their previous contract with the British Columbia Maritime Employers' Association.

The ramifications of this suggestion were far-reaching and their implications would have required a thorough and extended review, which could not possibly have been undertaken in the time available. It was, therefore, not

possible for the government to accept this suggestion put forward by the union.

On August 10 and 11, the membership of the union was polled, the results of which authorized the union executive to take strike action. The efforts of the Department of Labour being to no avail, the other west coast ports were struck on August 23. The next day the Minister of Labour met with the parties in Vancouver. No negotiations were then in progress. However, he did persuade them to reopen talks the next day. The parties, however, made it clear that they did not wish the assistance of the minister's department at these talks. Regrettably, no early agreement was forthcoming. In view of this, and because the national interest was involved, the government decided earlier this week that parliamentary action was essential. It was the only other option open to the government. I think that there has been universal approval of the government's decision to seek the recall of Parliament.

The other problem involves the handling of grain by five companies in Vancouver. In this case the most recent collective agreement expired at the end of November last year.

Honourable senators, the bill before us provides in Part I that longshoring operations shall be recommenced the day after enactment of this bill and that the parties shall continue their bargaining in an effort to reach agreement. The agreement which expired on July 31 is extended to December 31 of this year, or until such time as the parties agree to a new contract, whichever is the earlier.

Part II of the bill applies similar terms to the grain handling situation. However, these terms are only to become effective on proclamation, and it is hoped that this will not prove to be necessary.

This is so because since the expiration of the grain handlers' agreement negotiations and conciliation board procedures have been actively pursued. The conciliation report was presented to the minister on August 16, and, although a strike or lockout could have legally commenced at midnight on August 23, the union accepted the report, subject to certain clarifications; and the employers, although opposed to the recommendations, have not yet resorted to a lockout. We earnestly hope that the parties can reach an agreement very soon. However, it is essential that we safeguard the situation. For this reason, Part II of the bill has been included, but we trust that its proclamation will not prove to be necessary.

Part III of the bill provides for mediation procedures under both Parts I and II. Mediation under Part II of the bill will not, of course, become necessary unless Part II is proclaimed.

The mediation procedures set forth in the bill provide that the Governor in Council may appoint a mediator to conduct mediation during that period of time during which Part I, and if necessary Part II, is in force; that is to say, until December 31 of this year. The mediator will report under the terms of the bill to the Minister of Labour as to the progress he is achieving. The mediator will have all the powers conferred on a conciliation board by sections 139 and 140 of the Canada Labour Code.

[Hon. Mr. Martin.]

Since the introduction of this bill in the other place, the government has accepted an amendment to clause 7, which relates to Part I, by adding the following subclause:

> Notwithstanding section 5, the terms and conditions of any collective agreement entered into in amendment or revision of the collective agreement to which this Part applies shall, unless the parties thereto otherwise agree, have effect on and from August 1, 1972.

This is providing for retroactivity in respect of matters that may be agreed on as a result of the negotiations which will take place between now and December 31 next. It may well be that the parties themselves will, as a result of these negotiations, agree to see that benefits and rights and the terms of agreement entered into will be retroactive, and that they will be part of the agreement itself. In other words, the government proposes that a new collective agreement between the employers and the union shall take effect as from the expiration of the last collective agreement.

The bill will come into force on the day immediately following its enactment.

As I said at the beginning, no one likes to resort to these measures. The national interest, however, must come first. Our national interest is involved. Therefore, the government had to interfere, through this measure, with the normal collective bargaining process, and I have no hesitation, for these reasons, in commending the bill to the Senate.

Hon. Jacques Flynn: Honourable senators, I hope that this is truly the last day of this Twenty-eighth Parliament. We thought it would be some time last April, when we were pushed into adopting amendments to the old age pension legislation under the threat that the senior citizens of this country would not receive the $10 retroactive payment provided in the bill if it were not passed before a certain date. We thought there would be dissolution of Parliament during the Easter recess. Then on July 7 last, when we had to pass legislation to provide for the reopening of the Quebec ports of Montreal, Three Rivers and Quebec, we were sure that the adjournment to October of this year was simply to provide time for the government to make up its mind and decide when the people of this country would pass judgment on the administration that we have had since 1968.

• (1420)

Now we are back, but not for an emergency session. We are here to deal with a matter of urgency, but this is a resumption of the present session. I must correct the government leader in this respect—although it is really only a technical error. We are back, although some three or four days ago the Prime Minister was saying something like, "I am not going to interfere. The government is not going to interfere. The government should not do anything. There is nothing serious or important enough, in the situation on the west coast, to justify recalling Parliament."

That was the position taken recently by the Prime Minister. It was also the position taken by the Minister of Labour. It is really ironic to compare the situation in which we find ourselves today with the one in which we found ourselves when we adjourned on July 7 until Octo-

ber 3, fully expecting that the next time we met it would be as part of the Twenty-ninth Parliament.

As I said, I hope that this is the last day of this Parliament. I hope a great change will be evident in the new Parliament when it convenes. It is obvious that there will be some change here in the Senate chamber, but I hope that it will be not only on the walls, that not only will the paintings be refreshed but that there will be new faces, that there will be a change of sides.

The country is entirely fed up with the way this government is handling the business of the country. It is forever trying to defend simultaneously both sides of the same question. This is a fact, and it is obvious. The Leader of the Government himself has just said, "We do not like to intervene, but we have to do so." Well, if you have to, you should enjoy doing it; if it is your duty, you should not be afraid to do it. Why hide? What is the matter with this government? It is always presenting us with bills, saying "We do not like to do this, but we have to do it." Come clean, and tell us frankly where you stand in these matters.

Last July this government presented us with a bill inviting the people to obey the law. This was something I had never seen before. That was an illegal strike which the government had allowed to continue for over 50 days, if my memory serves me correctly. At that time the government would not apply the Canada Labour Code. It had some instruments to deal with the situation, but it would not use them. Now we have this legal strike and after three weeks, and just a few days after telling us it was not a matter for reconvening Parliament, the government tells us it should have acted before. In fact, this is what the government leader said, that it should have acted before. He tells us now that the damage to the economy is extensive. In other words, he admits that the government is guilty of having acted too late, of being late in bringing in this legislation.

I think we can all agree that it was quite obvious some time ago that, if the west coast ports were closed, it would do a lot of damage to the credit of Canada, especially in the grain trade. That was very obvious. But when did the government discover that? Not two days ago; not three days ago, or four days ago. Surely the government must have known this when the strike started some three weeks ago. But the government said, "Oh, no, we don't want to intervene. We should not intervene, because the strike is legal."

Now, realizing that it is cornered by economic factors, the government has to act. But the government's action is also motivated by an electoral factor as well. Quite obviously the government cannot dissolve Parliament and call an election with a strike of this type on its hands. Perhaps it thought it could make political hay by recalling Parliament just one day before the British Columbia election. Even so, it was late again in that instance. That is obvious because the Liberal Party in British Columbia, although it maintained its position in the legislature, lost in the popular vote. In any event, I think that influencing the British Columbia election was only secondary in the mind of the Prime Minister. What the government or the Prime Minister had foremost in mind was the coming federal election.

There is no machinery in the Canadian legislative process for dealing with a situation of the kind facing us now. There should be, but there is not.

It is rather amusing to recall that in the last days before we adjourned on July 7 we passed some amendments to the Canada Labour Code by which we tried to provide some machinery to deal with emergencies arising after the dissolution of Parliament. The "machinery" I am referring to is contained in sections 179 and following of Bill C-183. That machinery would not, in my opinion, be adequate to deal with the present situation. However, even if it were, the fact of the matter is that Bill C-183 has not yet been proclaimed. Why? The government asked Parliament to adopt this legislation, but when Parliament approved the legislation the government did not proclaim it. Why? I am not saying that in the present case the provisions in Bill C-183 would be of any use. It is too complicated for me to give an opinion on the spot. After all, we were given Bill C-231 only yesterday. So I am not going to argue the adequacy or inadequacy of the provisions of Bill C-183. But it appears to me that they would be inadequate in the present circumstances. Of course, for all I know, I may be wrong, but it certainly seems to me to be a strange thing that the government would have legislation passed by Parliament and then not proclaim it, and, by so delaying, be faced with serious problems. It may well be that tomorrow we will be faced with another problem, another strike. I am not referring to the problem we are dealing with today, because we will be through with that shortly, but in two weeks' time, for example, there may still be another strike. I am thinking, for instance, of the postal employees.

In these amendments to the Canada Labour Code in Bill C-183, clause 180 provides:

> 180. (1) No employer shall declare or cause a lockout and no trade union shall declare or authorize a strike unless . . .
>
> (c) the Minister has
>
> (i) received a notice . . . or
>
> (d) seven days have elapsed from the date on which the Minister
>
> (i) notified the parties of his intention not to appoint a conciliation officer or conciliation commissioner or to establish a conciliation board under subsection 164(1),
>
> (ii) notified the parties of his intention not to appoint a conciliation commissioner or to establish a conciliation board under section 166, or
>
> (iii) received the report of a conciliation commissioner or conciliation board pursuant to section 168.

• (1430)

Therefore, the beginning of a strike could be delayed until after the minister had appointed a conciliation commissioner or a conciliation board, and had received the resulting report. What is interesting with respect to the point I have just made is that section 181 makes it possible for the minister to deal with a problem of that type if it should arise after Parliament had been dissolved. This section reads as follows:

181.(1) Where

(a) a strike or lockout that would not be prohibited by this Part may occur during a period commencing on the date of a dissolution of Parliament and ending on the date fixed for the return to the writs at the general election of members to serve in the House of Commons next following that dissolution of Parliament, and

(b) the strike or lockout would, in the opinion of the Governor in Council, adversely affect the national interest if it occurred,

the Governor in Council may, at any time during the period referred to in paragraph (a), order that the period of seven days referred to in paragraph 180 (1)(d) shall elapse upon the expiration of the seventh day following the end of the period referred to in paragraph (a).

That is seven days after the return of the writs.

Therefore, honourable senators, we have here the machinery to provide for the declaration of a strike to be illegal between the date that Parliament is dissolved and the date seven days after the return of the writs.

Of course, this does not apply if the strike should start before dissolution of Parliament, and that is where I find fault with this legislation now that I have considered it in the light of the present problem. That also is why I suggested that this is not a solution. But there is a partial solution which the government apparently is afraid to use. I say that because this act received royal assent on July 7, and it has not yet been proclaimed. If it had been proclaimed on July 7 it could have been used to deal with a problem of the type we are facing at this time, or might face during dissolution. I cannot understand why the government hesitated, and continues to hesitate. It has recalled Parliament, but it wants to avoid the responsibility of making a decision which may be contrary to the principle which it has always defended by saying, "We are in favour of free labour bargaining and free negotiations, and we don't want to intervene because the right to strike is sacred," and so on and so forth. The right to strike is sacred, but my experience in Parliament has always been that when this right hurts the public interest, then the government has no choice but to act, as it is doing in the present situation, by bringing in legislation to deal with the particular problem or to set out general guidelines which would certainly help the parties in dispute to know where they are going and what they may be faced with.

All honourable senators are aware of the reaction of both parties involved in the situation on the west coast. They just do not understand what happened or why. Nobody warned them that the government was prepared to recall Parliament. They were negotiating in good faith, and in the hope of being able to settle this dispute. The Minister of Labour told them that the government could not afford to have the negotiations delayed more than, say, a week. Then he came back to Ottawa and made a report, and just two days after the Prime Minister had said that the government was not going to intervene in the matter he changed his mind, made an about-face, recalled Parliament, and said, "We are going to settle the strike with special legislation." In my view, in acting as it has the government has shown lack of courage, and is indulging in mere opportunism. In fact it resembles very much the situation with which we were faced last July.

Nevertheless, honourable senators, we are going to support the bill. We are going to vote for it on second reading, and we are not even going to ask to have it referred to committee because there is no point in doing so. It is necessary to end this strike as soon as possible, so it is desirable that this bill should receive royal assent today, thus giving the Prime Minister a chance to dissolve Parliament tonight before eight o'clock. Apparently that is the deadline in view of the situation facing the Chief Electoral Officer if an election is to be called for October 30. I do not think it matters whether the election is held on October 30 or November 6. What matters is that the Canadian public is entirely fed up with this hesitation on the part of the government, its difficulty in deciding on an election date. The people of Canada are also fed up with the way the government deals with such serious matters as the one covered by this special bill, and other special bills such as the one passed last July.

Having said that, honourable senators, I do not need to go into the details of the bill since it is a very simple piece of legislation. It simply tells management and labour to resume operations until December 31. By that time, of course, we shall have a new Parliament, and if the problem has not been solved at that time it will be up to this government, if it is returned to power, to present another special bill. But if there is a new government in power and if the problem is still there, then I hope that new government will have a new approach to such situations, an approach that will be to the benefit of the people of Canada.

Hon. Edward C. Lawson: Honourable senators, I shall be brief in my remarks. At the outset I feel I must reveal what on the surface might appear to be a conflict of interest.

Recently there has been some speculation in the press concerning the merger of some trade unions with the trade union I represent outside this chamber, the International Brotherhood of Teamsters. One of the mergers about which there has been speculation involves the National Longshoremen's and Warehousemen's Union, which I notice is mentioned on page 2 of the bill. The other suggested merger with my union is that of the International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America, which represents the grain workers. That is why I say that at the outset I must reveal what appears to be an apparent conflict of interest, while assuring honourable senators that it is extremely tempting for me to hide behind this apparent conflict of interest and to disqualify myself from taking any position on this legislation. But these mergers are tentative and a long way down the road, so that any position I take today will in no way be influenced by any relationship that may or may not be formed in the future.

• (1440)

I think it is with extreme caution that this type of legislation should be introduced. In British Columbia we have had legislation of this type for some time which gives to the government and, as a matter of fact, to the cabinet the right to send workers back to work, to end legal strikes without any basis for appeal, even if there is a

concern for the public interest. For many years the workers of British Columbia have strived to replace this legislation, to have it changed, to have it abolished, and they have been consistently unsuccessful in achieving that. That, along with other factors, seemed to force the decision on the people of British Columbia to decide that if you could not change the legislation you would have to change the government, and they decided to do that the other day.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lawson: I mention this merely as an object lesson as to why we should be very cautious about the use of this type of legislation. I can tell you that it is rather ironic for an Independent B.C. boy to be standing at the seat of the former Social Credit Premier of Alberta (Hon. Mr. Manning).

If legislation such as this is to be adopted, it must be adopted with extreme caution. It seems to me there is a need for some basic criteria to be applied. We should be asking ourselves: Is it in the national interest? Is it causing an economic hardship on the people directly involved? Is it causing economic hardship on the communities where this is happening, the communities supplied through the port of Vancouver? Also we need to ask ourselves: Is it causing economic hardship in other provinces? Is it causing any kind of threat or economic hardship on the nation as a whole? I think we have to ask ourselves: Will the continuance of this dispute affect the nation's reputation in world trade, our ability to deliver on contractual commitments? If we fail to honour these commitments and carry out the supplies, can our competitors make deliveries? Are there other competitors? If we examine all of these matters, and if the majority or all of the answers are in the affirmative, then it really leaves no choice but to come forward with this kind of legislation.

It is not an easy thing for me, as a trade unionist totally committed to free collective bargaining, and the right to free collective bargaining, the right to proceed without outside intervention, to have to come here and deal with a bill such as this. I am close to the situation, I know it and I understand it. I know the views of many of the longshoremen involved. I know the views of the many hundreds of grain workers who have become unemployed as a result of it. I know the views of many of the communities in British Columbia that are directly affected. I know the views of the other provinces which are affected. The combination of all that evidence compels me to come here today and join in supporting the legislation. I will vote in the affirmative.

Some Hon. Senators: Hear, hear.

Hon. A. H. McDonald: Honourable senators, I do not rise to enter into the discussion on the particulars of this bill, but after listening to Senator Lawson I want to say that I, for one, would be highly delighted if we had more leaders in labour unions and management with his understanding. If that were so, this would be a better country for all of us to live in.

Hon. Senators: Hear, hear.

Hon. Mr. McDonald: Senator Lawson has expressed the attitude of many people in British Columbia concerning this particular strike, and I think it is only fitting for someone from the Prairies to express the appreciation of the Prairie farmer for the action that Parliament is taking here today.

As Senator Martin indicated in his remarks, we are about 30 million bushels short in our deliveries to date through the port of Vancouver. Thirty million bushels is a tremendous amount of grain, especially when you are striving to reach an export target of at least 800 million bushels over the crop year. It is most difficult to pick up these lost deliveries. I can assure the house that all citizens in the Prairie provinces are delighted to see Parliament take the action it is taking today, to see that one of the main exports of this nation is to be made available to the import markets of the world. I want to express appreciation on behalf of the Prairie people for the action of the government, and the support which Parliament has given it. I do not know whether we can meet all the requests of Senator Flynn, but perhaps we will have the opportunity to make that decision even sooner than he thinks.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Flynn: With leave, now.

Hon. Mr. Martin: Thank you. I bow to the Leader of the Opposition.

The Hon. the Speaker: It is moved by the Leader of the Opposition—

Some Hon. Senators: Hear, hear.

Hon. Mr. Flynn: Your Honour, I have no objection if the record shows that the Leader of the Opposition gives leave to proceed, but I would not move third reading of the bill.

The Hon. the Speaker: Since we are about to come to the end of the session, I might say to the Leader of the Opposition that I have called his bluff.

It is moved by the honourable Senator Martin, seconded by the honourable Senator McDonald, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read third time and passed.

• (1450)

ROYAL ASSENT AND PROROGATION OF PARLIAMENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

OTTAWA

1 September, 1972

Sir,

I have the honour to inform you that the Honourable Emmett M. Hall, Puisne Judge of the Supreme

Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber at 4.45 p.m. today, the 1st day of September, for the purpose of giving Royal Assent to a Bill and proroguing the Fourth Session of the Twenty-eighth Parliament of Canada.

I have the Honour to be,
Sir,
Your obedient servant,
André Garneau
Colonel
Administrative Secretary
to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

BUSINESS OF THE SENATE

Hon. Mr. Martin: Honourable senators, before moving that the Senate adjourn during pleasure, I should like to remind His Honour the Speaker that when we concluded our sittings in July, the Leader of the Opposition and I and other senators expressed in his absence our appreciation for the dignified and capable manner in which he has presided over our affairs. I simply wish to call his attention to that fact.

[*Translation*]

All of us appreciate the manner in which you have presided over the Senate.

[*English*]

Honourable senators, I wish to observe to the Leader of the Opposition that I do not know when we will return. He has given the Government some advice today, of which I will inform the Prime Minister. It could be that the Prime Minister and the Leader of the Opposition have been thinking along the same lines. I do not know.

Hon. Mr. Flynn: For once.

Hon. Mr. Martin: In any event, I wish to remark to the Leader of the Opposition that I hope that during the next two months he will comport himself as a good Leader of the Opposition in the Senate. I say this, of course, facetiously. I wish Senator Flynn and all senators a happy period in the next several months.

Honourable senators, I move that we adjourn to await the call of the bell at some time between four o'clock and a quarter to five.

Hon. Mr. Flynn: May I speak to the motion?

An Hon. Senator: With leave.

Hon. Mr. Flynn: This is not a motion to adjourn the Senate but to adjourn until later this day, and it is debatable.

[*Translation*]

I should merely like to add a few words as regards the Speaker. We too wish to congratulate him on the fashion in which he presided over the debates of the Senate. There is a touch of nostalgia in speaking of this as if it were the last day on which you sit in this chair. Still, it would seem to be so this time. The same feelings were expressed in previous circumstances but, today, it seems clear that the die is cast. Be that as it may, we will keep the very best recollection of the way in which you fulfilled your duties, and we will see you helping over there, and more probably on this side, the Leader of the Opposition of the day. I do not know whether it will be Senator Martin, because I can hardly see him as Leader of the Opposition.

I saw him in the opposition at the other place—that was another matter—where he spoke to us about soya beans and other matters of which he knew nothing, but he spoke which such glibness and confidence that it was really a pleasure to listen to him.

But, in any event, I obviously accept the suggestion made by the Leader of the Government that I continue as Leader of the Opposition until the new parliament is convened. I have no choice in the matter. I hope that it will be someone else—and I say this with kindness and without bitterness—who will occupy the seat that he now has, because he has certainly deserved a rest after working so hard in support of such bad causes.

[*English*]

The Hon. the Speaker: Honourable senators, I should like to express my appreciation and thanks to both leaders, who have spoken on your behalf. However, I must inform you immediately that the speeches they delivered on July 7 when, unfortunately, I had a leg in a cast, are already framed in my office.

The Senate adjourned during pleasure.

At 4.30 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

An Act to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada.

The Honourable the Deputy to His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

PROROGATION SPEECH

The Honourable the Deputy of His Excellency the Governor General was pleased to close the Fourth Session of the Twenty-eighth Parliament with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The Fourth Session of the Twenty-eighth Parliament was opened on February 17, 1972. Since that time you have enacted legislation and approved government actions of great importance to the prosperity and well-being of the Canada of today and of the future.

During this session, Canadians were honoured by a visit to Ottawa by the President of the United States and were encouraged by this reaffirmation of our traditional friendship with our closest neighbours.

Canada has continued to develop its relationships with all nations, great and small, in all spheres, economic, social and political.

At home, our economy has continued to grow and has produced new employment at a rate exceeding that of any industrialized nation. During this session you have had placed before you measures designed to stimulate still further the economic growth of our land.

In this session you have addressed yourselves to the complexities of the Canadian federal democracy and have approved the Federal-Provincial Fiscal Arrangements Act.

You have also continued your work on behalf of the agricultural community. While the government has expanded our international markets for farm products, Parliament has amended the Farm Credit Act and the Canadian Wheat Board Act.

The social environment of Canada has been of much concern to you during this session. You have enacted amendments to the Criminal Law and the government has announced its intentions to make more modern its policies on the control of the use of drugs. Both the Opportunities for Youth Program and the Local Initiatives Program have been expanded and continued. The government has also announced a New Horizons Program for the aged. As further support for our older citizens, you have enacted a measure to increase the Old Age Security pensions.

During this session you have also approved two measures to improve the benefits provided for veterans and other persons affected by war.

You have been particularly concerned with the problems of industrialization. You have amended the Canada Labour Code as well as the Adult Occupational Training Act.

You have also been called upon to deal expeditiously with two serious industrial disputes and you have enacted measures to protect the national interest in those incidents.

During this session, both Houses of Parliament have permitted their committees to continue the important task of reviewing government policy and administration.

Many other important initiatives have been approved. In addition, you have had placed before you measures concerning the national anthem, national parks, fair employment practices, income security, mortgage mechanisms, housing, representation, election expenses and many other important matters. In the future Parliament must apply itself with great vigour and diligence to these issues and to others as they develop.

Members of the House of Commons:

I thank you for the provision you have made for the public services in the previous and in the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country.

The Honourable the Speaker of the Senate then said:

Honourable Members of the Senate:

Members of the House of Commons:

It is the will and pleasure of the Honourable the Deputy of His Excellency the Governor General that this Parliament be prorogued until Thursday, the 28th day of September, 1972, at ten thirty o'clock in the forenoon, to be here holden; and this Parliament is accordingly prorogued until Thursday, the 28th day of September, 1972, at ten thirty o'clock in the forenoon.

Later this day the Twenty-Eighth Parliament was dissolved by Proclamation of His Excellency the Governor General.

INDEX

Abbreviations

1r, 2r, 3r	=	First, second, third reading
amdts	=	amendments
com	=	committee
div	=	division
m	=	motion
neg	=	negatived
ref	=	referred
rep	=	report
r.a.	=	royal assent

Acts assented to during the Session

PUBLIC ACTS

Assented to March 29, 1972

Chapter		*Bill No.*
1.	Appropriation Act No. 1, 1972	C-175
2.	Appropriation Act No. 2, 1972	C-176
3.	Electoral Boundaries Readjustment Act (Essex-Windsor)	C-55
4.	Electoral Boundaries Readjustment Act (High Park-Humber Valley)	C-74
5.	Electoral Boundaries Readjustment Act (Renfrew North-Nipissing East)	C-92
6.	Electoral Boundaries Readjustment Act (Rivière-du-Loup-Témiscouata)	C-172
7.	Electoral Boundaries Readjustment Act (Trois-Rivières-Métropolitain)	C-167
8.	Federal-Provincial Fiscal Arrangements Act, 1972	C-8
9.	Income Tax Act amendment	C-169

Assented to May 19, 1972

10.	Old Age Security Act amendment	C-207
11.	"Parliament Hill", an Act respecting the use of the expression	C-78
12.	Pension Act, War Veterans Allowance Act, Civilian War Pensions and Allowances Act, Children of War Dead (Education Assistance) Act and Department of Veterans Affairs Act amendment	C-208

Assented to June 15, 1972

13.	Criminal Law Amendment Act 1972	C-2

Acts assented to during the Session—Concluded

PUBLIC ACTS—Concluded

Assented to June 30, 1972

Chapter		*Bill No.*
14.	Adult Occupational Training Act amendment	C-195
15.	Appropriation Act No. 3, 1972	C-221
16.	Canadian Wheat Board Act amendment	C-204
17.	Territorial Supreme Courts Act	S-3

Assented to July 7, 1972

18.	Canada Labour Code amendment	C-183
19.	Farm Credit Act amendment	C-5
20.	Pension Act amendment	C-215
21.	Representation Commissioner Act amendment	C-203
22.	St. Lawrence Ports Operations Act	C-230

Assented to September 1, 1972

23.	West Coast Ports Operations Act	C-231

LOCAL AND PRIVATE ACTS

Assented to March 29, 1972

24.	Unity Bank of Canada	C-164

Address in reply to Speech from the Throne
Consideration of Speech from the Throne, motion for, 5; termination of Address in reply, motion for, 7; engrossing of Address in reply and presentation to Governor General, motion for, 121
Motion for Address in reply, Hon. Sydney L. Buckwold, 9-13; seconded, Hon. Renaude Lapointe, 13-17
Speakers: Honourable Senators
Argue, Hazen 112-16
Bonnell, Lorne, 103-6
Buckwold, Sidney L., 9-13
Desruisseaux, Paul, 57-60
Eudes, Raymond, 34-36
Fergusson, Muriel McQ., 83-87
Flynn, Jacques, 18-24
Forsey, Eugene A., 88-92

Address in reply to Speech from the Throne – *Concluded*
Speakers: Honourable Senators – *Concluded*
Haig, J. Campbell, 53-54
Heath, A.E. Haddon, 77-78
Lapointe, Renaude, 13-17
Lawson, Edward M., 54-57, 119-21
Macdonald, John M., 116-19
Martin, Paul, 24-30
Michaud, Herve J., 31-34
Rowe, Fred W., 60-67
Williams, Guy, 41-44

Adjournments
Easter, 293; Summer, 617

Adult occupational training
Allowances, flexibility in payment of, 543, 545
Definition of 'adult', 543, 544-5
Eligibility for training, 543
Financial arrangements between Manpower Dept. and provinces, 544
Further amdts suggested, 546
On-the-job training, 543-4, 545
Provincial reactions to results of occupational training, 549
'The poor and the manpower system', excerpt from Poverty Committee report, 545-6
Training outcome of major course groups, 561, 568-71
Unemployment insurance, 549
Speakers: Honourable Senators
Macdonald, John M., 545-6
Norrie, Margaret, 543-5, 561, 568-71
Yuzyk, Paul, 548-9, 561

Adult Occupational Training bill C-195. 1r, 530; 2r, 543-6, 548-9; ref to com, 549; rep without amdt, 554; 3r, 561; r.a., 567
See also 568-71

Agreements, Conventions and Treaties
Unlawful acts against the safety of civil aviation, Convention for the suppression of, 539, 548, 556-8
Unlawful seizure of aircraft, Convention for the suppression of, 539, 548, 556-8

Agriculture
Co-operatives, 159
Farm produce surplus, 289
Federal Grain Company, sale of, 115-16, 290-1
Feed grain prices, 81-82
Grain elevator system, 289
Grain handling and exporting problems, 114-16, 290
Hog prices, 113-14
Information sources, 159-60
Kent Co., NB, farm incomes, 159
Land preservation, 120

Agriculture – *Concluded*
Land use and land prices, NB, 33
Legislation affecting agriculture, 80-81
Port of Vancouver export facilities, 114-15
Rail line rationalization program, 289-90
Rural development, prospects and problems, 31-33
Small farms development program, 160
Social and economic indicators, 158-9
Statistics on farms and incomes, 81
Wheat Board, 530-2, 541-3, 547-8, 554, 562-3
Wheat, two-price system, 11-12, 113

Agriculture, motion for establishment of Standing Senate Committee to consider legislation and other matters re agriculture, 80-82, 136-8; motion in amdt (Hon. Mr. Lafond), 138, 146-7, 157-8, ruled out of order, 158; debate on main motion cont'd, 158-60, 288-91, 319-21; motion agreed to, 321
Speakers: Honourable Senators
Argue, Hazen, 80-82, 136-8, 146-7, 321
Buckwold, Sidney L., 320-1
Flynn, Jacques, 147, 319-20, 321
Forsey, Eugene A., 147
Lafond, Paul C., 136-8
Martin, Paul, 320
McDonald, A. Hamilton, 288-91, 320
Michaud, Herve J., 158-60

Agriculture, Standing Senate Committee
Authorization to study Wheat Board report, 533
Establishment of, 502-3
Members, 520
Reports
Farm Credit bill C-5, rep without amdt, 603
Wheat Board bill C-204, rep without amdt, 554
Wheat Board report for crop year ended July 31, 1971, 603, 608
Terms of reference, 80-82

Air Canada
Air fares in Canada, 104
Losses during strike, 53-54

Aird, Hon. John B.
European Economic Community, Canadian relations with, 100-1
Implications of trade developments in Europe, 100-1
Import statistics, 101
UK entry into European Economic Community, 101
Pacific region, report of Foreign Affairs Committee, 190-1
Aid to underdeveloped countries, 191
Exports and imports, manufactured and raw materials, 190
Japan's exports to Canada (1971), 190
Peking Conference, 190
Science and Technology Mission to Japan, 190

Air Transport, Conventions re
Unlawful acts against the safety of civil aviation, Convention for the suppression of, 539, 548, 556-8
Unlawful seizure of Aircraft, Convention for the suppression of, 539, 548, 556-8
Speakers: Honourable Senators
Flynn, Jacques, 548, 558
Lawson, Edward M., 557
Martin, Paul, 539, 558

Appendixes
Adult occupational training statistics, 568-72
Atlantic region, 568
Ontario region, 570
Pacific region, 572
Prairie region, 571
Quebec region, 569
Constitution of Canada, recommendations of Special Joint Committee, 183-9
Council of Europe, Third Parliamentary and Scientific Conference, Lausanne, Switzerland, 413-15
Estimates, fiscal year ending Mar. 31/72, supplementary (B), report of committee, 226-33
Estimates, fiscal year ending Mar. 31/73, report of committee, 510-11
Family allowances, manpower centres and adult occupational training, letters from Prime Minister re, 152-5
Interparliamentary Group, Canada-United States, Fourteenth Annual Meeting, 47-51
Penitentiaries, inmates, authorized temporary absences, 93
Penitentiaries, inmates, deaths of (1969-71), 94-99
President Nixon's address to both Houses of Parliament, 309-11
Prime Minister Trudeau's address of welcome to President Nixon, 308-9
Wheat Board report for year ending July 31/71, rep of committee, 608

Appropriation bill No. 1, 1972 C-175. 1r, 234; 2r, 242-3, 246-55; 3r, 277; r.a., 293

Appropriation bill No. 2, 1972 C-176. 1r, 234; 2r, 243-4, 255-6; 3r, 278; r.a., 293

Appropriation bill No. 3, 1972 C-221. 1r, 529; 2r, 529, 539-41; 3r, 547; r.a., 567

Argue, Hon. Hazen
Address in reply to Speech from the Throne, 112-16
Agriculture
Federal Grain Company, sale of, 115-16
Feed grain prices, 81-82
Grain exporting problems, 114-16
Hog prices, 113-14
Legislation affecting agriculture, 80-81
Port of Vancouver, export facilities, 114-15
Statistics on farms and incomes, 81
Storage and handling of grain facilities, 114
Wheat, two-price system, 113
Agriculture, motion for establishment of Standing Senate Committee to consider legislation and other matters re agriculture, 80-82, 136-8; motion in amdt (Hon. Mr. Lafond), 138, 146-7, 157-8, ruled out of order, 158; debate on main motion cont'd, 158-60, 288-91, 319-21; motion agreed to, 321

Argue, Hon. Hazen – *Concluded*
Agriculture, Standing Senate Committee reports
Farm Credit bill C-5, 603
Wheat Board bill C-204, 554
Wheat Board report for crop year ended July 31, 603, 608
Bilingualism and multiculturalism, 116
Farm Credit bill C-5, 591-5
Age qualification, 593
Citizenship or landed immigrant qualification, 594
Crop insurance, 593-4
Foreclosures, 592
Incomes of farmers, 592
Interest rates, 592
Land bank development program, 594
Mortgage costs, 591-2
Mortgage statistics, 593
Saskatchewan legislation, non-resident clause, 594
Small farm development, 593
Pollution from oil spill, Cherry Point Refinery, motion for support of reference to International Joint Commission, 464, 489-92; motion agreed to, 492
Wheat Board bill C-204, 530-2, 562-3
Alberta barley, initial payment, fixed basis-in-store, 530, 532
Delivery after crop year has ended, 530, 531-2
Penalties for infractions of act, 532, 562-3
Protein grading system for wheat, 530, 531
Quota acreage, 530, 531
Wheat Board powers re delivery quotas, 531

Asselin Hon. Martial, P.C.
Appointed to the Senate Sept. 1/72

Atlantic provinces
New Brunswick
Kent Co., rural development, 32-34
Land use and land prices, 33
NewStart, 33
Poverty, 33, 159
Salmon fishing, ban on, 327-30, 334-9, 355-6, 374-9
Newfoundland and Labrador
Ferry service, 243
Labrador Mining and Exploration Company, 239-41
Poverty, 287
Nova Scotia, local initiatives program, 40, 212
Prince Edward Island
Centennial celebrations, 103-4
DREE program, 105, 106
Housing grants, 106
Transportation and communications, aspects of isolation, 105
Unemployment insurance for fishermen, 106
See names of individual provinces

Banking, Trade and Commerce, Standing Senate Committee
Budget of committee tabled, 555
Committee meeting during sitting of the Senate, authority for withheld, 464-6
Income tax, motion that committee be authorized to consider legislation before bills reach Senate, 341-5; agreed, 345
Members, 8
Reports
Expenditures, 1971 Tax Reform Legislation, 53
Expenditures, White Paper on Taxation, 52
Federal-Provincial Fiscal Arrangements bill C-8, rep without amdt, 209
Income Tax bill C-169, rep without amdt, 246
Unity Bank of Canada bill C-164, rep without amdt, 246

Beaubien, Hon. L.P.
Appropriation bill No. 1, 1972 C-175, 249-50
Appropriation bill No. 3, 1972 C-221, 539-40
CBC capital expenditures, 249-50
Committee meeting during Senate sitting, question of, 466
Estimates, 249-50, 539-40
Federal sales tax, 540
Government spending, increase in, 540
Income Tax Act, inquiry re dividend tax credit, 326, 333-4
Provincial inequalities, 334
Tax Reform and You – Highlights for Individuals, 333-4
Income Tax bill C-169, 238-9
Extractive industries, tax advantages, 238-9; iron ore industry, 239
Income tax legislation, committee study of, 343-4
Interparliamentary Group, Canada-United States, 109-10
Canada-US relations, 109-10
Quebec border, 110
Senate business, 436
Senate committees staff, inadequacy of, 343-4

Belisle, Hon. Rheal
Internal Economy, Budgets and Administration Committee, dates and records of meetings, 495, 506

Benidickson, Hon. W.M., P.C.
Estimates, year ending Mar. 31/72, Supplementary (B), 211-12
Dollar items, 211
Lack of information re certain items, 211-12

Bilingualism and biculturalism
Language rights of all cultural groups, 180, 305
Multiculturalism in Canada, 116
Public service, 14, 482-4
Recognition of French-Canadians, responsibility in, 516-18

Bills, amendments to
Parliament Hill bill C-78, 325-6
Commons concurrence, 332

Bills, general data
Omnibus bills
C-2 Criminal Law Amendment 1972 (amendment to Criminal Code, Criminal Code 1972 Amendment Act, Criminal Records Act, National Defence Act, Parole Act, Visiting Forces Act), 428-31, 437-48, 474-8
C-208 Pension Act, War Veterans Allowance Act, Civilian War Pensions and Allowances Act, Children of the War Dead (Education Assistance) Act, Department of Veterans Affairs Act, 416-22
Unemployment Insurance bill S-2, subject matter ref to com, 460-2
Unity Bank of Canada bill C-164, suspension of Rule 95, 207-8

Bills, Numerically, Commons
C-2 Criminal Law Amendment 1972
C-5 Farm Credit
C-8 Federal-Provincial Fiscal Arrangements
C-55 Electoral Boundaries Readjustment (Essex)
C-74 Electoral Boundaries Readjustment (High Park)
C-78 Parliament Hill
C-92 Electoral Boundaries Readjustment (Renfrew North)
C-164 Unity Bank of Canada
C-167 Electoral Boundaries Readjustment (Trois Rivieres)
C-169 Income Tax
C-172 Electoral Boundaries Readjustment (Temiscouata)
C-175 Appropriation No. 1, 1972
C-176 Appropriation No. 2, 1972
C-183 Labour Code
C-195 Adult Occupational Training
C-203 Representation Commissioner
C-204 Wheat Board
C-207 Old Age Security
C-208 Pension, War Veterans Allowance, Civilian War Pensions and Allowances, Children of the War Dead (Education Assistance), Department of Veterans Affairs
C-215 Pension
C-221 Appropriation No. 3, 1972
C-230 St. Lawrence Ports Operations
C-231 West Coast Ports Operations
See also individual titles

Bills, Numerically, Senate
S-1 Railways *(pro forma)*
S-2 Unemployment Insurance
S-3 Territorial Supreme Courts
See also individual titles

Bills, Private, Commons
Unity Bank of Canada C-164. 1r, 175; 2r, 199-200; ref to com, 200; suspension of Rule 95, 207-8; rep without amdt, 246; 3r, 246; r.a., 293

Bills, Private, Senate
Nil.

Bills, Public, Commons

Adult Occupational Training C-195. 1r, 530; 2r, 543-6, 548-9; ref to com, 549; rep without amdt, 554; 3r, 561; r.a., 567. *See also* 568-71
Appropriation No. 1, 1972 C-175. 1r, 234; 2r, 242-3, 246-55; 3r, 277; r.a., 293
Appropriation No. 2, 1972 C-176. 1r, 234; 2r, 243-4, 255-6; 3r, 278; r.a., 293
Appropriation No. 3, 1972 C-221. 1r, 529; 2r, 529, 539-41; 3r, 547; r.a. 567
Criminal Law Amendment 1972 C-2 (amdt to Criminal Code, Criminal Code 1967 Amendment Act, Criminal Records Act, National Defence Act, Parole Act and Visiting Forces Act). 1r, 379; 2r, 428-31, 437-48; ref to com, 448; rep without amdt, 474; motion for 3r, 474; motion in amdt, 474-7, neg, 477-8; 3r, 478; r.a., 497
Electoral Boundaries Readjustment (Essex) C-55. 1r, 139; 2r, 167-8, 175-6; 3r, 191; r.a., 292
Electoral Boundaries Readjustment (High Park) C-74. 1r, 139; 2r, 168, 176; 3r, 191; r.a., 292
Electoral Boundaries Readjustment (Renfrew North) C-92. 1r, 139; 2r, 168, 176; 3r, 192; r.a., 292
Electoral Boundaries Readjustment (Temiscouata) C-172. 1r, 274; 2r, 274; 3r, 274; r.a., 292
Electoral Boundaries Readjustment (Trois Rivieres) C-167. 1r, 139; 2r, 168-9, 176; 3r, 192; r.a., 292
Farm Credit C-5. 1r, 560; 2r, 573-8, 588-95; ref to com, 595; rep without amdt, 603; 3r, 609; r.a., 617
Federal-Provincial Fiscal Arrangements C-8. 1r, 171; 2r, 171-4, 192-8; ref to com, 198; rep without amdt, 209; 3r, 209-10; r.a., 293
Income Tax C-169. 1r, 207; 2r, 235-42; ref to com, 242; rep without amdt, 246; 3r, 246; r.a., 293
Labour Code C-183. 1r, 566-7; 2r, 578-87; ref to com, 587; rep without amdt, 587; 3r, 597-602; r.a., 617
Old Age Security C-207. 1r, 395; 2r, 395-410; ref to com, 410-11; rep without amdt, 422-3; 3r, 423-5; r.a., 426
Parliament Hill C-78. 1r, 272; 2r, 272-4, 291-2; ref to com, 292; rep with amdts, 325-6; 3r, 326; Commons concurrence in amdts, 332; r.a., 426
Pension Act, War Veterans Allowance Act, Civilian War Pensions and Allowance Act, Children of the War Dead (Education Assistance) Act, Department of Veterans Affairs Act C-208. 1r, 411; 2r, 416-22; 3r, 422; r.a., 426
Pension C-219. 1r, 559-60; 2r, 565-6; 3r, 573; r.a., 617
Representation Commissioner C-203. 1r, 559; 2r, 564-5; 3r, 573; r.a., 617
St. Lawrence Ports Operations C-230. 1r, 604; 2r, 604-7, 609-14; ref to com, 614; rep without amdt, 614; 3r, 615; r.a., 617
West Coast Ports Operations C-231. 1r, 619; 2r, 619-23; 3r, 623; r.a., 624
Wheat Board C-204. 1r, 530; 2r, 530-2, 541-3, 547-8; ref to com, 548; rep without amdt, 554; 3r, 562-3; r.a., 567

Bills, Public, Senate

Railways S-1 *(pro forma)*. 1r, 5
Territorial Supreme Courts S-3. 1r, 175; 2r, 198-9; 3r, 212; r.a., 567
Unemployment Insurance S-2. 1r, 173; motion for 2r, 296-7, 460-2; motion in amdt that subject matter be referred to committee, agreed, 462

Bonnell, Hon. M. Lorne

Address in reply to Speech from the Throne, 103-6
Heritage Canada, 104
Prince Edward Island, 103-5
  Agriculture, 106
  Centennial celebrations, 103-4
  DREE program, 105, 106
  Housing grants, 106
  Isolation aspects, 105
  Unemployment insurance, 106
Tourist industry, 104-5
  Air travel fares in Canada, 104
Transportation and communications, 105

Bourget, Hon. Maurice, P.C.
Chairman of Committee of the Whole on debate on amdts to Rules of the Senate, 512-16
Unity Bank of Canada bill C-164, 199-200

British Columbia
Hospital workers union, 60
Pensioners for Action, 120
Port of Vancouver, grain export facilities, 114-15
Public Service, 56

British North America Act, *see* Constitution of Canada

Broadcasting
Canadian Broadcasting Corporation, 249-55
Building costs, 249, 254
Capital expenditures and programming, 249-50, 252-3, 254
CRTC, 249, 251, 252
Saskatchewan, 251, 253-4

Buckwold, Hon. Sidney L.
Address in reply to Speech from the Throne, 9-13
Agriculture, 320-1
Appropriation bill No. 1, 1972 C-175, 253-4
CBC, capital expenditures and programming, 253-4
Economy of Canada, 364-5
Labour force increase, 364-5
Local Initiatives programs, 364
Opportunities for Youth, 364
Isolation in areas of physical distance, social stigma, economic deprival, 10-13
Labour force and employment increase, 10-11, 364-5
Labour-management disputes affecting public services, 150-1
CBC electronic technicians, 150
Labour courts, 151
Parliament Hill bill C-78, 273
Science Policy, Commission on the Future, 262, 263
Urban affairs, 12
USSR Deputy Premier and parliamentarians, visit to Canada, 103
Wheat Board storage facilities at Saskatoon, 277, 292
Wheat, two-price system, 11-12

Burchill, Hon. G. Percival
Appropriation bill No. 1 C-175, 250
Northwest Atlantic Fisheries International Commission, Washington meeting, motion that all nations take steps to ensure survival of Atlantic salmon, 356-7; agreed, 357
Regulations and other statutory instruments, 40
Salmon fishing, ban on, effect on economy of New Brunswick, 327-8, 356-7
Foreign fishermen in salmon areas, 327-8; Danes, 328
Pollution, 327
Revenues from Miramichi River and other areas, 327-8

Cameron, Hon. Donald
Canadian Film Development Corporation, administration and operations, 484
International Brotherhood of Electrical Workers, labour relations, 9, 41
Science policy, 139-46
Challenge to change, 140
Critical Review: Past and Present, 140
Decentralization, community control and extent of use of STI system, 144
Developing a Computer-based Information System, 141-2, 146
Expenditures and accountability for, 143-5
Project Sappho by Science Policy Research Unit, Sussex University, 143
Recommendations of committee, 143
Science and technology information, lack in Canadian system, 142-3
Trade and Goodwill Mission to the People's Republic of China, 366-73
Banff School of Advanced Management, exchange of students, 367
Canada-China relations, 367-8, 373
Factory production and workers, 370-2; lack of absenteeism, 372; women, 372
Industrial exhibition, 369
Medical students, program cut-back, 371
Sun Yat Sen Hospital and Medical School, use of acupuncture anaesthesia, 368-9

Canada Labour Code, *see* Labour Code, 566-7, 578-87, 597-602, 617

Canada-United States Interparliamentary Group, 14th annual meeting, 44-46, 47-51, 109-10, 131-6, 169-70
See Interparliamentary Group

Canadian Broadcasting Corporation, see Broadcasting, 249-55

Canadian Film Development Corporation, *see* Film Development Corporation, 493-4, 537-8

Canadian Wheat Board, *see* Wheat Board, 530-2, 541-3, 547-8, 554, 562-3, 567

Carter, Hon. Chesley W.
Economy of Canada, effect of unemployment and inflation, 389-91
Government expenditures (1969-70), 389; federal grants to provinces, 389; statutory expenditures, 389-90
Inflation, 390-1; labour rejection of government requests for restraint, 391
Local initiatives programs, 390
Opportunities for Youth, 390
Pension bill C-215, 565-6
Backlog of applications, 566
Commissioners of CPC, increase in, 565
Woods Committee (Committee to Survey the Organization and Work of the Canadian Pension Commission), 565
Pension, War Veterans Allowance, Civilian War Pensions and Allowances, Children of the War Dead (Education Assistance), Department of Veterans Affairs bill C-208, 420-1
Guaranteed income supplement, 420

Carter, Hon. Chesley W. – *Concluded*
Poverty in Canada, 525-8
'Endorsements, reservations and proposals for action', excerpt from release of Family Service Assoc., Toronto, 526-7
Full employment, committee recommendations re, 525-6
Guaranteed annual income, 526-7
Precedents for, 526
Negative income tax, 528
Salmon, ban on commercial fishing of, 355-6
Compensation to fishermen, 355-6
Science and technology programs, 356; Sweden, 356
Statistics on decline of fisheries in Miramichi and other rivers, 355
Science policy, 212-16
Imbalance in research and development, comparisons to other countries, 214
Industrial strategy, 216
Investment expenditures, 215-16
Lack of government support to inventors, 213-14
National Research Council, 214, 215
Natural resources, depletion of, 215
Universities vs industry, 214-15
US investments in Canada, 213

Cartier Square, *see* National Capital, 350-3

China, People's Republic of, Trade and Goodwill Mission of Canadian Senators and businessmen, 366-73, 391-4
Speakers: Honourable Senators
Cameron, Donald, 366-73
Fergusson, Muriel McQ., 391-4
See Trade and Goodwill Mission to the People's Republic of China

Choquette, Hon. Lionel
Constitution of Canada, 316-19
Provincial reaction to change, 317
Senate reform, 317-19; age of retirement for Senators, 319; property qualification, 319; provincial appts., 318; veto power, 317-18
Criminal Law Amendment bill 1972 C-2, 431, 437-40
Capital punishment, 439
County court judges powers to hear criminal cases with exception of murder, 439
Do Victims Have Rights?, article from Monterey *Peninsula Herald,* 439-40
Law enforcement difficulties, 439
Law Reform Commission (Mr. Justice Patrick Hartt), 431
Offences on aircraft (hijacking), 438-9
Vagrancy, 439
Deschatelets, Hon. Jean-Paul, Speaker, tribute to His Honour at close of session, 616
Internal economy, appt. of Senators to act between sessions and parliaments, 277
Legislation, omnibus bill amending several acts, 437-8

Civil aviation
Unlawful acts against safety of civil aviation and unlawful seizure of aircraft, Conventions re, 539, 548, 556-8

Clerk's Accounts
Accounts tabled, 436; ref to com, 436; rep of com, 554-5; adopted, 563
Members of Subcommittee on Clerk's Accounts, 512

Commission on the Future, motion that Senate sponsor conference for establishment of, 244-5, 261-3, motion agreed to, 263

Committee of the Whole (Chairman, Hon. Maurice Bourget)
Rules of the Senate, report of Standing Rules and Orders, 512-16. *See also* 502-4

Committee on Orders and Customs and Privileges of Parliament, 5

Committees, general data
Agriculture, motion for establishment of Standing Senate Committee, 80-82, 136-8, 146-7, 157-60, 288-91, 319-21
Committee meeting during sitting of Senate, authority for withheld, 464-6
Consideration of legislation before bills reach Senate, 341-5
Expenditures
Banking, Trade and Commerce, Summary of 1971 Tax Reform Legislation, 53
Banking, Trade and Commerce, White Paper entitled "Proposals for Tax Reform", 52
Foreign Affairs, *Foreign policy for Canadians: Pacific,* 68
Legal and Constitutional Affairs, Parole system, 40
Science Policy, Third session expenses, 40
Government reaction to reports and recommendations from Senate committees, 23-24, 26-27
Health, Welfare and Science, motion for study of labour-management disputes, 82-83, 150-1, 165-7
Meetings of committees, conflict in scheduling of, 472-3
Membership changes, *see* Minutes of the Proceedings of the Senate
Standing committees, amdts re (Rule 67), 502-4
Terms of reference, Special Committees, 504, 516
Terms of reference, Standing Senate Committees
Agriculture, 321, 502-3
Banking, Trade and Commerce, 504, 515
Ex officio members, 504, 515-16
Foreign Affairs, 503, 515
Health, Welfare and Science, 504, 515
Internal Economy, Budgets and Administration, 503, 515
Legal and Constitutional Affairs, 504, 515
Transport and Communications, 503-4, 515
See individual committees following

Committees, Joint, Special
Constitution of Canada
Regulations and other Statutory Instruments

Committees, Joint, Standing
Library of Parliament
Printing of Parliament
Restaurant of Parliament

Committees, Senate, Special
Poverty in Canada
Science Policy

Committees, Senate, Standing
Agriculture
Banking, Trade and Commerce
Foreign Affairs
Health, Welfare and Science
Internal Economy, Budgets and Administration
Legal and Constitutional Affairs
National Finance
Orders and Customs of the Senate
Rules and Orders
Transport and Communications

Conferences
Council of Europe, Third Parliamentary and Scientific Conference, Lausanne, Switzerland, 382-4, 413-15
Inter-American Development Bank, 13th annual meeting, Quito, Ecuador, 345-8
Interparliamentary Group, Canada-United States, 14th annual meeting, Ottawa and Montebello, 44-46, 47-51, 109-10, 131-6, 169-70, 518-19
North Atlantic Treaty Organization, Committee meetings at Brussels (May 1972), 466-72
Trade and Goodwill Mission to People's Republic of China, 366-73, 391-4
United Nations 26th Session of the General Assembly, New York City, 299-302
United Nations Trade and Development Conference, Santiago, Chile, 294, 312-16
USSR Parliamentarians visit to Canada, 348-50, 431-3

Connolly, Hon. John J., P.C.
Appropriation bill No. 1, 1972 C-175, 247, 254-5
Constitution of Canada, Senate reform, 317-18
Criminal Law Amendment bill 1972 C-2, 440-2
Contempt of court, appeal from conviction, 440-2
Editorial from *Montreal-Matin* re Quebec Bar recommendation, 442
Excerpts from article by Mr. Justice McRuer, 441
Right of appeal, 441-2
Estimates, year ending Mar. 31/72, Supplementary (B), 211
European Economic Community, Canadian relations with, 101-3
Export and import statistics, 102
Finance Committee examination of Estimates, 247, 254-5
Government spending, non-disclosure of, 247
Income Tax bill C-169, 238, 239
Interparliamentary Group, Canada-United States, 169-70
Defence matters, 169
Trade, imbalance of payments, 169-70
Pollution, oil spill at Cherry Point refinery, 492
Regulations and other Statutory Instruments, 39
Royal Military College Officer Cadets, visitors to Senate, 212
Senate business, 451
Senate reform, 317-18
United Nations, Trade and Development conference at Santiago, Chile, 294, 315
Developing countries, Canada's commitment to, 315
USSR Parliamentarians visit to Canada, 348-50
Science and technology agreement, 349
Trade potential, 349
USSR competition in other markets, 350
Wheat sales to USSR, 349, 350

Constitution of Canada
Bill of Rights, 180, 270-1, 304
Blake, Edward, quoted on status of Canada as Dominion, 269
British and French heritages, 264-8, 279-80
Disallowance of federal and of provincial acts, 268-9
Dominion of Canada, question of title, 264-5, 269
Emergencies affecting national economy, responsibility in solution of, 179-80
Federal and provincial areas of responsibility, 224-5
Fulton-Favreau Formula, 281, 282
Head of state, 180
House of Commons reform
Executive power, 283
Tenure of a parliament, 283-4
Language rights, 180, 305
Local works jurisdiction, 285-6
Monarchy, The, 278-9
National Capital Commission, correction of item in committee report as tabled, 175
Native people, 180
Parliamentary procedures on first day of session, 90-92
Order of business, 90
Pro forma bill, 90-91
Speech from the Throne, consideration of, 90-92
Patriation of the Constitution, 459-60
Victoria Charter of June 1971, excerpt from, 460
Power of Governor General to reserve bills of the Parliament of Canada for Royal pleasure, 268
Preamble of new Constitution, 304
Prerogative of pardon, 265
Provincial reaction to change, 317
Quebec conference (1864), 264
Recommendations contained in final report of special committee, 183-9
Seceding of provinces from British Empire, 265-6
Senate reform
Property qualification, 319
Regional representation, 179, 180, 318
Retirement age of Senators, 180, 282-3, 319
Role of the Senate, 459
Veto power, 317-18, 459
Supreme Court of Canada, 284-5
Thinkers' Conference on Cultural Rights, 306
Victoria formula, 281, 282, 317
Want of confidence vote (1926), 91, 92
Westminster Palace Hotel conference (1866-67), 264
Speakers: Honourable Senators
Choquette, Lionel, 316-19
Forsey, Eugene A., 222-5, 263-71, 278-86
Macdonald, John M., 458-60
Molgat, Gildas L., 176-81, 182-9
Yuzyk, Paul, 302-7

Constitution of Canada, Special Joint Committee
Appointment and terms of reference, 52
Members
Commons, 52
Senate, 52
Report, 176-82, 183-9, 222-5, 263-71, 278-86, 302-7, 316-19
Report tabled, 157; correction, 175

Convention for Suppression of Unlawful Acts against Safety of Civil Aviation, signed at Montreal, Sept. 23/71, 539, 548, 556-8

Convention for Suppression of Unlawful seizure of Aircraft, signed at The Hague, Dec. 16/70, 539, 548, 556-8

Cook, Hon. Eric
Appropriation bill No. 1, 1972 C-175, 242-3, 255
Appropriation bill No. 2, 1972 C-176, 243-4
Estimates, 242-4, 255
Borrowing authority, 244
Dollar items, 243
Ferries, Atlantic provinces, 243
Foreign aid, 242
Income Tax bill C-169, 239-40
Labrador Mining and Exploration Co., 239-40

Cote, Hon. Joseph Julien Jean-Pierre, P.C.
Appointed to the Senate Sept. 1/72

Council of Europe, Third Parliamentary and Scientific Conference, Lausanne, Switzerland, 382-4, 413-15
Anti-GNP cult, 383
Budgets for science projects, 383
Commission on the Future, 384
European Science Foundation, 382
International Science and Technology Union of Parliamentarians, 383
Lamontagne, Hon. Maurice, tribute to, 384

Criminal Code, amdts, *see* Criminal Law Amendment bill 1972 C-2

Criminal law
Compensation for victims of criminal acts, 116-17
Indians, injustices in incidents relating to, 43-44
Indians in penal institutions, 43
Indictable and non-indictable offences, 117
Parole systems, 117

Criminal law (Bill C-2)
Contempt of court, appeal from conviction, 429, 440-5, 446, 474-8
Editorial from *Montreal-Matin* re Quebec Bar recommendation, 442
Excerpts from article by Mr. Justice McRuer, 441
Excerpts from Code of Civil Procedure of Province of Quebec, 444
Right of appeal, 441-2
Corporal punishment, 428, 446-7
County court judges powers to hear criminal cases with exception of murder, 429, 439
Disturbance of the peace, 430

Criminal law – *Concluded*
Do Victims Have Rights?, article from Monterey *Peninsula Herald*, 439-40
Driving licence, intermittent suspension of, 429
False fire alarms, 430
Immorality vs criminality, 428
Jury duty, 428-9; discharge of juror, 429; elimination of sex reference, 428-9, 446
Law enforcement difficulties, 439
Law Reform Commission (Mr. Justice Patrick Hartt), 428, 430, 431
Mental condition of accused, observation without medical certificate, 430; removal of accused while under discussion, 430
Motor vehicle serial number, obliteration of, 429, 447
Offences on aircraft (hijacking), 428, 430, 438-9, 443, 447
Operation of vessels while under influence of alcohol, 430
Penalty of less than 90 days, intermittent sentencing, 429
Possession of house-breaking, vault-breaking and safe-breaking instruments, 429
Slugs used or manufactured for coin-operated machines, 430
Theft and allied offences of over $200, 430
Trend toward emphasis on extenuating circumstances and rehabilitation, 448
Vagrancy, 439
Speakers: Honourable Senators
Choquette, Lionel, 431, 437-40
Connolly, John J., 440-2
Flynn, Jacques, 442-5, 449, 474-6
Forsey, Eugene A., 476
Hayden, Salter A., 476-7
Laird, Keith, 427-31, 476
Lang, Daniel A., 445-6
Manning, Ernest C., 447-8
Molson, Hartland de M., 446-7

Criminal Law Amendment bill 1972 C-2 (amdt to Criminal Code, Criminal Code 1967 Amendment Act, Criminal Records Act, National Defence Act, Parole Act and Visiting Forces Act). 1r, 379; 2r, 428-31, 437-48; ref to com, 448; rep without amdt, 474; motion for 3r, 474; motion in amdt, 474-7, neg, 477-8; 3r, 478; r.a., 497

Criminal Records Act, amdts, *see* Criminal Law Amendment bill 1972 C-2

Croll, Hon. David A.
British negative income tax, question of privilege, 235
Family allowances, manpower centres and adult occupational training, letters from Prime Minister re, 139, 152-5
Federal-Provincial Fiscal Arrangements bill 1972 C-8, 174
Guaranteed annual income, 174
Income tax legislation, committee study of, 344
Poverty, 126-30, 131, 174, 295, 533-6
Disparity in provincial incomes, 535
Guaranteed annual income, 174, 535; gallup poll on opinions re, 127
Prime Minister's speech as reported in Toronto *Star*, 128-9
Welfare administration, gallup poll results on opinions re, 128
Welfare dietary supplement, suspension of, demonstration in Montreal re, 295
Working poor, 535-6
Poverty, Special Senate Committee
Appointment, 8-9
Expenses, report tabled, 31
Report, 126-31, 533-6

Croll, Hon. David A. – *Concluded*
Rules
Code of conduct for Senators, motion that Committee on Standing Rules and Orders consider principles of, 478, 505-6
Committee meeting during sitting of Senate, agreement for withheld, 465, 466
Tax reform legislation, Senate expenditures re study of, 344

Davey, Hon. Keith
Appropriation bill No. 1, 1972 C-175, 251, 252, 253
CBC, capital expenditures and programming, 251, 253, 254

Deschatelets, Hon. Jean-Paul, P.C., Speaker of the Senate
Constitution of Canada, Special Joint Committee, appointment and terms of reference, 52
Interparliamentary Group, Canada-United States, 44-45, 47-51
Rules of the Senate
Amdt to motion for establishment of committee on agriculture, point of order on relevancy of, 138, 146-7, 157-8
Code of conduct for Senators, point of order on motion re (Hon. Mr. Croll), 505-6
Committee meeting during sitting of Senate, authority for withheld, 466
Leave to proceed on one or two day's notice, 464
Orders of the Day, point of order on, 357-9
Question of precedent re Parliament Hill bill C-78, point of order, 332
Senator may not speak twice to question, 518
Tributes to His Honour the Speaker at close of session, 616
USSR parliamentarians visit, 103, 111, 124

Desruisseaux, Hon. Paul
Address in reply to Speech from the Throne, 57-60
Labour-management crisis, 57-60
Breakdown of law and order, 58, 60
Public servants, 59
Quebec, 57-58
Taft-Hartley Act, 58
Trade growth, 59
Unemployment, 57, 59

Divisions (vote)
Criminal Law Amendment 1972 bill C-2, 477-8

Documents tabled, *see Journals of the Senate*

Drugs
Controls, lack of, 66
Marijuana, question of legalization, 67
Usage by youth, 62-63, 66-67

Duggan, Hon. James
Poverty in Canada, 286-8
Guaranteed annual income, 287-8
Newfoundland and Labrador, 287
Vanier Institute brief submitted to com, 288

Economic conditions and prospects
Editorials on, 27-28
Employment, 10-11, 27-29, 364-5
Farming and other private enterprises, problems of inflationary trends, 362
Government expenditures (1969-70), 360, 389-90
Federal grants to provinces, 389
Increase in and policies re, 360
Statutory expenditures, 389-90
Gross national product, 27-28
Inflation, 21-22, 27, 361-2, 390-1
Excerpt from statements of Royal Bank President, 363
Labour rejection of government requests for restraints, 391
Maladjustments in wage-cost-price structure, 362
Labour force increase, 10-11, 27, 364-5
Local initiatives programs, 27, 40, 212, 360, 362, 364, 387, 390
Nova Scotia, 40, 212
Opportunities for Youth, 362, 364, 366, 387-8, 390
Rejection of application from faculty of dentistry, 366
Private sector role, 360-1
Unemployment, 13, 16, 21, 118, 360-6, 384-91, 473
Make-work programs, 362; Nova Scotia, 386-7
Quebec, 16

Economy of Canada, effect of unemployment and inflation, 360-6, 384-91, 473
Speakers: Honourable Senators
Buckwold, Sydney L., 364-5
Carter, Chesley W., 389-91
Phillips, Orville H., 365-6
Smith, Donald, 384-8
Welch, Frank C., 360-5
See Economic conditions and prospects, Unemployment

Education
Banff School of Advanced Management, exchange of students with People's Republic of China, 367, 391-2
Children of the war dead, tuition fees and living costs for, 417
Post-secondary education, federal-provincial fiscal arrangements re, 173-4, 193, 194, 197

Electoral Boundaries Readjustment (Essex) bill C-55. 1r, 139; 2r, 167-8, 175-6; 3r, 191; r.a., 292

Electoral Boundaries Readjustment (High Park) bill C-74. 1r, 139; 2r, 168, 176; 3r, 191; r.a., 292

Electoral Boundaries Readjustment (Renfrew North) bill C-92. 1r, 139; 2r, 168, 176; 3r, 192; r.a., 292

Electoral Boundaries Readjustment (Temiscouata) bill C-172. 1r, 274; 2r, 274; 3r, 274; r.a., 292

Electoral Boundaries Readjustment (Trois Rivieres) bill C-167. 1r, 139; 2r, 168-9, 176; 3r, 192; r.a., 292

Estimates
- Audit of estimates, lack of, 247-8
- Borrowing authority, 244
- CBC, capital expenditures and programming, 249-55
- Dollar items, 210-11, 226-33, 243, 248-9
  - Legislative in nature, 231-3
  - Requiring approval of certain grants and contributions, 230-1
  - Transferring from one vote to another within a ministry to meet increased costs or expenditures, 227-30
- Federal sales tax, 540
- Ferries, Atlantic provinces, 243
- Foreign aid, 242
- Government spending, increase in and policies re, 360, 521-3, 540
- Lack of information re certain items, 211-12, 247, 248, 255
- Main Estimates (1972-73) and Forecast Expenditures (1971-72), 510, 511
- Public sector vis-a-vis private sector, demands of, 521
- Ratio of federal and provincial expenditures, 524
- Statutory and non-statutory expenditures, 505, 510, 524
- Transfer payments from federal to provincial governments, 246-7, 250
- Unemployment Insurance Commission, 505, 510, 511

Estimates, ref to National Finance Committee
- Fiscal year ending Mar. 31/72, Supplementary (B), authority for committee to examine and report on, 100; report of committee, 210-12, 226-33
- Fiscal year ending Mar. 31/73, authority for committee to examine and report on in advance of bills reaching Senate, 31; report of committee, 504-5, 510-11, 520-5

Eudes, Hon. Raymond
- Address in reply to Speech from the Throne, 34-36
- Income security, 34-35
- Isolation barriers caused by physical distance, social stigma, economic deprival, 34-36
- Poverty, 34-36
- Social security, administrative difficulties, 36
- Unemployment, 34, 36

European Economic Community
- Barley exports from Canada to UK and other world markets, 164-5
- Canada-US discussions re, 49
- Exports of manufactured goods to US, 162-3
- GNP and living standards in Europe, 164-5
- Implications of trade developments in Europe, 100-1
- Import statistics, 101, 102

European Economic Community – *Concluded*
Plants and subsidiaries in UK, possibility of, 162
Pulp, paper and newsprint industry, 138-9
UK entry into community, effect on Canada's trading future, 101, 148, 161-2, 164
Wheat sales, 162
Speakers: Honourable Senators
Aird, John B., 100-1
Connolly, John J., 101-3
Grosart, Allister, 160-3
McDonald, A. Hamilton, 163-5
O'Leary, M. Grattan, 148-50

Everett, Hon. Douglas D.
Estimates, year ending Mar. 31/72, Supplementary (B), 100, 210-11, 226-33
Dollar items
Legislative in nature, 231-3
Requiring approval of certain grants and contributions, 230-1
Transferring from one vote to another within a ministry to meet increased costs or expenditures, 227-30
Estimates, year ending Mar. 31/73, 504-5, 510-11
Main Estimates (1972-73) and Forecast Expenditures (1971-72), 510, 511
Statutory expenditures, 505, 510
Unemployment Insurance Commission, 505, 510, 511

External affairs, *see* Foreign affairs

Farm credit
Age qualification for loan, 574, 593
Brief submitted by National Farmers Union, 575
Citizenship or landed immigrant qualification, 594
Crop insurance, 593-4
Development Plan for Prince Edward Island, 590
Federal jurisdiction of corporation, 576-7
Foreclosures, 592
Freight rates, 589
Incentive grant or forgivable debt, 591
Incomes of farmers, 588-9, 592
Interest rates, 589, 591, 592
Land bank development program, 594
Loan arrears, 589
Machinery costs, 589
Maximum loans, 573-4, 575-6, 577, 589
Mortgage costs, 591-2
Mortgage statistics, 593
Mortgages, open-ended, 590
Powers of corporation, 573, 576, 577
Reactions to legislation from provinces and farm organizations, 575-6
Saskatchewan legislation, non-resident clause, 594
Small farm development, 593
Use of building or building site by person other than borrower, 574

Farm credit – *Concluded*
Speakers: Honourable Senators
Argue, Hazen, 591-5
Hicks, Henry D., 577-8
Macdonald, John M., 574-6
Michaud, Herve J., 573-4
Molgat, Gildas L., 576-7
Phillips, Orville H., 588-91

Farm Credit bill C-5. 1r, 560; 2r, 573-8, 588-95; ref to com, 595; rep without amdt, 603; 3r, 609; r.a., 617

Farming
See Agriculture,
Farm credit.

Fauteux, Rt. Hon. Gerald, Chief Justice of Canada
Royal assent, 292-3

Federal-provincial affairs
Family allowances, manpower centres and adult occupational training, letter from Prime Minister of Canada to Prime Minister of Quebec, 152-3; letter from Prime Minister of Canada to provincial Premiers, 154-5
Isolation barriers caused by physical distance, social stigma, economic deprival, 10-13, 15, 34-36, 41-44
Royal Canadian Mint, Winnipeg base of coin-making division, 14

Federal-provincial fiscal arrangements
Education, post-secondary, 173-4, 193, 197
Equalization payments, 105, 196
Guaranteed annual income, 174,193, 197
Municipal governments, 197, 198
Natural resources, provincial rights to revenues from, 194, 195-6, 197, 210
Opting-out provisions, 193
Provincial tax revenue guarantee payments, 173
Quebec, 192-3, 197, 209-10
Regulations, 174
Tax collection agreements, 172-3, 192, 197
Transfer payments with respect to tax on 1971 undistributed income on hand, 173
Speakers: Honourable Senators
Croll, David A., 174
Flynn, Jacques, 192-3, 210
Forsey, Eugene A., 196-7, 198
Manning, Ernest C., 193-6
Martin, Paul, 171-4, 197-8, 209-10

Federal-Provincial Fiscal Arrangements bill C-8. 1r, 171; 2r, 171-4, 192-8; ref to com, 198; rep without amdt, 209; 3r, 209-10; r.a., 293

Felicitations
Deschatelets, Hon. Jean-Paul, Speaker of the Senate, tribute to, 616
Rowe, Hon. Frederick W., sons elected to Newfoundland Legislature, 235

Fergusson, Hon. Muriel McQ.
Address in reply to Speech from the Throne, 83-87
Heritage Canada, 84
Labour Code bill C-182, 583-4
Social responsibility in labour-management disputes, 583-4; Montreal *Gazette* editorial, 584
Technological change, 584
Poverty in Canada, 216-22
Children, effects of poverty on, 219-20
Family allowances, 221
Incomes below poverty line, 219
Minimum wage vs welfare payments, 218-19
New Brunswick, 217
Rural poverty, 217
UN Declaration of Human Rights, Article 25 (1), re standard of living, 217
Working women, 220-1
Trade and Goodwill Mission to the People's Republic of China, 391-4
Banff School of Advanced Management, exchange of students, 391-2
Bethune, Dr. Norman, evidences of prestige in China, 392
Education of Chinese children, 392-3; in factory processes and food production, 393; music, 393
Medical research, 392; acupuncture, use in operational procedures, 392
Women in China, status of, 392-3
Women in Canada, 83-87, 220-1
Appointments to courts, federal boards, commissions, etc., 86
Day care services, 86
Discrimination in the business world, 220-1
Comments of Carleton University professor, 220
Comments of Public Service Commission chairman, 221
Equal Opportunities Office, 85
Family planning information, 86
Federal status of women council, 84
Human rights commission, 84
ILO Convention re equal remuneration for male and female, 87
National Defence College, acceptance of Miss Flora MacDonald, 86
Passport in maiden name of married woman, 87
Representations to Prime Minister for legislation re equality, 83-84
Senate and House of Commons, 86

Film Development Corporation
Background of corporation, 537-8
Film distribution, 493
French productions, 494
Quotas for Canadian films to theatres in Canada, 493-4
Revenue, 494
Writers, performers, directors, 493
Speakers: Honourable Senators
Cameron, Donald, 494
Lamontagne, Maurice, 537-8
Lapointe, Renaude, 493-4

Film Development Corporation, motion for study of administration and operations, 493-4, 537-8

Fisheries
Compensation to fishermen deprived of livelihood, 355-6
Depletion of salmon breeding stock by Danish fishermen, 327-8, 329, 335-6, 339, 374; boycott suggestions, 336
Economic value of 1966 Atlantic salmon catch, 337
Eels, question of menace from, 339
Fish hatchery, Mactacquac, 375
Greenland and Davis Straits fisheries, statistics on, 336
Miramichi River, catch and revenues, 328, 355
Net fishing, 329
Northwest Atlantic Fisheries International Commission, Washington meeting, motion that all nations take steps to ensure survival of Atlantic salmon, 356-7
Nova Scotia fish plants, 385
Pollution of NB rivers, 327, 374-6
Prices and markets, 378
Quebec regulations re net restrictions and catch limits, 336-7
Research and technology programs, 336, 356; Sweden, 356
Revenues to Newfoundland and Nova Scotia from tourists fishing camps, 328-9
Salmon, ban on commercial fishing of, effect on economy of New Brunswick, 327-30, 334-9, 355-6
Time regulations and policy decisions detrimental to fishermen, 376
Speakers: Honourable Senators
Burchill, G. Percival, 327-8
Carter, Chesley W., 355-6
McElman, Charles, 374-9
Molson, Hartland de M., 334-8, 339, 378
Quart, Josie D., 377-8
Rowe, Fred W., 338-9
Smith, Donald, 328-30
Williams, Guy, 378-9

Flynn, Hon. Jacques, P.C., Leader of the Opposition in the Senate
Address in reply to Speech from the Throne, 18-24
Agriculture, 319-20, 321
Air transport, Conventions for the Suppression of Unlawful Seizure of Aircraft and for the Suppression of Unlawful Acts against Civil Aviation, 548, 558
Appropriation bill No. 1, 1972 C-175, 250-1, 252
Committee meetings, conflict in scheduling of, 472, 473
Criminal Law Amendment bill 1972 C-2, 442-5, 449, 474-6
Contempt of court, 440-5, 474-6
Excerpt from Code of Civil Procedure of Province of Quebec, 444
Motion that bill be ref back to committee, 474-7, neg, 477-8
Economic conditions, 21-22
Electoral Boundaries Readjustment bill C-55 (Essex), 175-6
Electoral Boundaries Readjustment bill C-172 (Temiscouata), 274
Federal-Provincial Fiscal Arrangements bill C-8, 192-3, 210
Guaranteed annual income, 193
Opting-out provisions, 193
Post-secondary education payments, 193
Quebec, 192-3, 210
Tax collection agreements, 192
Federal-provincial relations, 22-23
Income tax, committee consideration of legislation before bills reach Senate, 344-5
Inflation, 21-22
Inter-American Development Bank, 347
Canada's subscription to bank stock and fund for special operations, 347
Trade potential, 347
Internal economy, appt. of Senators to act between sessions and parliaments, 276, 292
Legislation, introduction of government bills in the Senate, 316

Flynn, Hon. Jacques, P.C. – *Concluded*
Longshoremen's strike in Quebec, 555
Old Age Security bill C-207, 395, 397-403, 405, 406, 410-11, 423, 425
Delay in transmission of bill to Senate and lack of time for consideration, 397-400
Increases, inadequacy of, 402
Provincial consultation, lack of, 400-1; Quebec, 400-1
Parliament Hill bill C-78, 272-3, 326, 332
"Parliament Hill", use of expression, 273
Quebec Legislature, 273
Public servants, impropriety of making speeches on matters of policy, 536-7
Bilingualism in the public service, 536-7
Regulations and other statutory instruments, 38-39
Rules of the Senate
Amdt to motion re establishment of committee on Agriculture, question of relevancy of, 138, 147
Code of conduct for Senators, point of order on motion re (Hon. Mr. Croll), 478. *See* 505-6
Committee meeting during sitting of Senate, authority for withheld, 465, 466
Leave to proceed on one or two day's notice, 463, 464
Orders of the Day, point of order on, 357-9
Suspension of rule, 513
St. Lawrence Ports Operations bill C-230, 606, 609-12
Excerpt from judgment of Judge Gold, 609
Invalidity of strike declaration, 609-10
Job security, 611
Penalties, 612
Senate
Business of, 354, 357, 374, 379-81, 436-7, 451-2, 563-4, 603, 604
Distribution of bills, 563-4
Committee reports submitted to government, 23-24
Government disregard of Senate role, 399-400
Hours of sitting, 436
Question of privilege re Senate prestige in relation to motion by Prime Minister on house adjournment, 615
Tax reform, 20-21
Unemployment, 21
USSR parliamentarians, visitors to Senate, 124-5
West Coast Ports Operations bill C-231, 620-2

Foreign affairs
Canada-US relations, 120-1
"Commerce Today, A Look at Business in 20 Years", report of Washington conference, 120-1
European Economic Community, Canada's relations with, 100-3, 148-50, 160-5
Inter-American Development Bank, 13th annual meeting at Quito, Ecuador, 345-8
International responsibilities, 30
Interparliamentary Group, Canada-United States, 44-46, 47-51, 109-10, 131-6, 169-70
Organization of American States, 15, 88
Pacific region, 190-1
Southern Sudan, request for aid, 427-8, 454
Trade and Goodwill Mission to the People's Republic of China, 366-73, 391-4
Unlawful seizure of aircraft and unlawful acts against civil aviation, conventions for the suppression of, 539, 548, 556-8
UN Trade and Development Conference, Santiago, 312-16
US President Richard M. Nixon's address to both Houses of Parliament, 309-11
USSR Parliamentarians visit to Canada, 103, 111, 124-5, 348-50, 431-3

Foreign Affairs, Standing Senate Committee
Authority to examine and report on foreign and Commonwealth affairs, 7
Authority to meet during adjournments of Senate, 327
Budget tabled, 555

Foreign Affairs, Standing Senate Committee – *Concluded*
Canadian relations with expanded European communities, motion for study of, 100-3, 148-50, 160-5; agreed, 165
Reports
Expenditures, Foreign Policy for Canadians: Pacific, 68
Pacific region, report tabled, 190-1

Forsey, Hon. Eugene A.
Address in reply to Speech from the Throne, 88-92
Constitution of Canada, 222-5, 263-71, 278-86
Bill of Rights, 270-1
Blake, Edward, quoted on status of Canada as a Dominion, 269
British and French heritages, 264-8, 279-80
Committee members and work of, 222-4
'Dominion' of Canada, 264-5, 269
Federal and provincial areas of responsibility, 224-5
Fulton-Favreau Formula, 281, 282
House of Commons reform, 283-4; executive power, 283; tenure of a parliament, 283-4
Local works jurisdiction, 285-6
Monarchy, The, 278-9
Power of Governor General to reserve bills of Parliament of Canada for Royal pleasure, 268
Prerogative of pardon, 254
Provincial acts, disallowance of, 268-9
Quebec conference (1864), 264
Seceding of provinces from British Empire, 265-6
Senate reform, 282-3; age of retirement for Senators, 282-3
Supreme Court of Canada, 284-5
Victoria Charter, 281, 282
Westminster Palace Hotel conference (1866-67), 264
Criminal Law Amendment bill 1972 C-2, 476
Federal-Provincial Fiscal Arrangements bill C-8, 196-7, 198
BNA Act provisions re equalization payments, 196-7
Education, post-secondary, 197
Guaranteed annual income, 197
Municipalities, difficulties of, 197
Natural resources, provincial utilization of, 197
Quebec, 197
Tax collection agreements, 197
Income Tax bill C-169, 241
Extractive industries, tax concessions, 241
Personal income, additional deduction, 241
Labour-management disputes affecting public services, 165-7, 321-4, 434
Compulsory arbitration, 322
Investigations of various government groups, 323
Senate committee (proposed) membership and responsibilities, 324-5
National Capital
Cartier Square, future use of, 350-2; proposals for parking lot, complex of buildings, National Gallery, undesirability of, 350-2
Sculpture in Confederation Park, 351-2; expenditures for, 352; 'visual pollution' of area, 352
National Gallery, acquisition of "Klonos", 487-8
Organization of American States, 88
Parliamentary procedures on first day of session, 90-92; minority government, want of confidence vote, 91-92; order of business, 90; *pro forma bill*, 90-91, 92; Speech from the Throne, consideration of, 91-92
Parliament Hill bill C-78, 273-4, 325-6

Forsey, Hon. Eugene A. – *Concluded*
Public Servants, impropriety of making speeches on matters of policy, 463, 478-87, 518
Bilingualism, 482-4
BNA Act convention re public pronouncements on matters of policy, 478
Bureaucracy in Canadian Government, Selected Readings, 485
Chairman J.J. Carson, Public Service Commission, report to Parliament, 480-7; merit system, 480-5; Public Service officials, 485-7
Changing Role of the Privy Council Office and *Official Responsibility, Private Conscience and Public Information*, 479
Civil Service of Canada, excerpt re commissioners' statement, 480
Merit system of the Public Service, 480-5
Native people, employment of, 484
Public Service Employment Act, provisions re Commission report to Parliament, 480
Recruitment programs and suggestions to provide employment opportunity without discrimination, 482-3
Right to dissent privately, excerpt from statement of Clerk of Privy Council to Royal Society of Canada, 484-5
Role of public servant in formation of policy, 479
Statutory exceptions to constitutional rule re statements on policy, 479-80
Auditor General, 479
Chief Electoral Officer, 479
Official Languages Commissioner, 479
Women in the Public Service, 482, 484
Regulations and other Statutory Instruments, Standing Joint Committee, 122-3
Rules of the Senate
Committees, question of relevancy of amdt to motion for establishment of committee on agriculture, 147
Leave to proceed on one day's notice, 463
Senate
Age of retirement for Senators, 282-3
Appointments, partisanship aspects of, 89
Consideration of legislation before presentation of bill in House of Commons, 90
Disturbances in Senate corridors during reading of Speech from the Throne, 88
Initiation of legislation in Senate, 89-90
Socialism, government policies, 89
Southern Sudan, request for aid, inquiry, 427-8, 454
Translation services, *Debates of the Senate*, 125-6, 302
Urban affairs, municipal-federal participation, 88

Goldenberg, Hon. H. Carl
Air transport, 558
Labour Code bill C-182, 578-82, 587
Acquisition and termination of bargaining rights, 579-80
Background of federal labour law, 578
Definitions, industrial relations, 578
Labour Relations Board, composition and powers of, 579
Railway strike, 580, 587
Technological change, 580-2, 587
Bargaining notice, conditions re, 581
Gallup poll on items relevant to labour unions and members, 580
Job security, 580-1
Technological change, notice from employer to bargaining agent, 581
Labour-management disputes affecting public services, 507-9
Inadvisability of Senate inquiry, 507-9
Medical trade unions, statement of Dr. G. E. Mosher re, 509
Strikes of international significance, 508
Task Force on Labour Relations, 508

Goldenberg, Hon. H. Carl – *Concluded*
Regulations and other Statutory Instruments, 106-8
British House of Commons Committee on Statutory Instruments, 108
Excerpt from speech of Justice Minister, 107
New Despotism, The, 107
Powers and responsibilities of committee, 108-9

Government policies
Expenditures (1969-70), 389
Federal grants to provinces, 389
Statutory expenditures, 389-90
Inflation, 361-2
Excerpt from statements of Royal Bank president, 363
Maladjustments in wage-cost-price structure, 362
Make-work programs, 363
Local initiatives programs, 360, 362, 387, 390
Opportunities for Youth, 362, 387-8, 390

Governor General
Deputy
Fauteux, Rt. Hon. Gerald, 292-3
Hall, Hon. Emnett M., 624-5
Judson, Hon. Wilfred, 426
Ritchie, Hon. Roland A., 497, 567
Spence, Hon. Wishart F., 617
Opening of Fourth Session of Twenty-Eighth Parliament
Communication from Secretary to Governor General, 1
Speech from the Throne by His Excellency the Governor General, 1-4
Prorogation of Fourth Session of Twenty-Eighth Parliament
Communication from Administrative Secretary to Governor General, 623-4
Speech from the Throne by Hon. Emmett M. Hall, 624-5

Graham, Hon. Bernard A.
Introduced in the Senate May 15/72, 332

Grain
Barley sales to world markets, 165
Feed grain prices, 81-82
West coast ports shipments, backlog due to work stoppage, 619-23
Wheat sales to UK, 162
Wheat, two-price system, 11-12, 113
See Agriculture

Greene, Hon. John J., P.C.
Appointed to the Senate Sept. 1/72

Grosart, Hon. Allister
Appropriation bill No. 1, 1972 C-175, 246-50
Appropriation bill No. 2, 1972 C-176, 255-6
Appropriation bill No. 3, 1972 C-221, 529
Committee meetings, conflict in scheduling of, 473
Council of Europe, Third Parliamentary and Scientific Conference, Lausanne, Switzerland, 382-4, 413-15
Anti-GNP cult, 383
Budgets for science projects, 383
Commission on the Future, 384
European Science Foundation, 382
International Science and Technology Union of Parliamentarians, 383
Lamontagne, Hon. Maurice, tribute to, 384
Estimates, year ending Mar. 31/72, 246-50, 255-6
Audit of estimates, lack of, 247-8
Dollar items, 248-9
Government spending, non-disclosure of, 247, 248, 255
Transfer payments from federal to provincial governments, 246-7, 250
Estimates, fiscal year ending Mar. 31/73, 520-5, 529
Government control of national productivity, 521-2
Government spending, increase in, 521-3; various departments, 522
Public sector vis-a-vis private sector, demands of, 521
European Economic Community, 160-3
Exports of manufactured goods to US, 162-3
Plants and subsidiaries in UK, 162
UK entry into community, effect on Canada's trading future, 161-2
Wheat sales, 162
Inter-American Development Bank, 347
Internal Economy, Budgets and Administration Committee
Appt. of Senators to act between sessions and parliaments, 275, 276, 277
Scheduling of meetings, 507
Labour Code bill C-182, 584, 585-7
Job security, 586
Railway strike, 585
Technological change, 585-6
National Capital
Cartier Square, future use of, 353
Sculpture in Confederation Square, 353
Old Age Security bill C-207, 403-6, 407-8
Income supplement, 407; means test, 407
Lack of time for consideration in committee, 403-7
Quebec reaction, 403-4
Retroactivity, 405
Regulations and other statutory instruments, 39-40
Rules of the Senate
One day's notice of certain motions, amdt to Rule 45, 515
Orders of the day, 514
Point of order re Senator making speech after Speaker's ruling, 406
Substantive motion, 515
Suspension of rules to expedite legislation, 406
Science policy, 200-7
Club of Rome report, "*The Limits of Growth*", 204
Competition, 205
Domestic market, protection of, 202
Industrial innovation, 200-1, 203, 206
Information service, 200
Mobility of scientists and engineers, 207
National Research Council, 203
OECD, 203, 204
Recommendations of committee, 205-7
Research and development, Canada's rating, 201-2

Grosart, Hon. Allister – *Concluded*
Science policy – *Concluded*
Research contracts from government to industry, 206-7
Tax incentives for industry, 205
Technology contracts, procurement of, 205
Trade and tariff policies, 205
Unemployment in manufacturing sector, 201
University graduates, lack of placement in industry, 205, 206
Senate business, 452
Senate role, government disregard of, 405-6

Haig, Hon. J. Campbell
Address in reply to Speech from the Throne, 53-54
Labour strikes affecting the public services, 53-54
Air Canada, 53-54
Economic waste, 53-54
Employees in essential services, suggestion for inclusion as public servants, 53
Motion for study of existing federal legislation re labour-management disputes affecting public services, 82-83, 150-1, 165-7, 321-4, 433-5, 495-7, 507-9, 555-6; motion agreed to, 556
Wheat Board bill C-204, 547-8
Penalties, 547

Hall, Hon. Emmett M., Puisne Judge of the Supreme Court of Canada
Prorogation Speech at close of Session, 624-5
Royal assent, 624

Hastings, Hon. Earl A.
Penitentiary inmates, authorized temporary absences, 80, 93
Penitentiary inmates, deaths of, 80, 94-99

Hayden, Hon. Salter A.
Committee meeting during sitting of Senate, authority for withheld, 464-6
Criminal Law Amendment bill 1972 C-2, 476-7
Contempt of court, 476-7
Income Tax bill C-169, 235-8, 241-2
Corporate tax reduction of 7%, 237-8, 241-2
Personal income tax reduction of 3%, 236-7
Income tax, motion that committee be authorized to consider legislation before bills reach Senate, 341-5; agreed, 345
Passive income, 343
Profit-sharing plans, 341-2
Sale of farm property from father to son, deferral of capital gains tax, 343
Interparliamentary Group, Canada-United States, 131-6
Auto imports, financial statistics, 134
Auto imports from US, tariff on, 133-4
Auto pact, imbalance of, 132
Bounty or grant paid by US to assist construction of plants in Canada, 133
Domestic International Sales Corporations, 132, 133, 134
GATT, 133
Tax deferrals, 132-3
Trade and economic affairs, 131
US investments in Canada, 132
Reflection upon integrity of Hon. Mr. Hayden as Chairman of Banking, Trade and Commerce Committee, question of privilege, 498-502

Health, Welfare and Science, Standing Senate Committee
Motion for study of certain subjects:
Labour-management disputes affecting public services, 82-83, 150-1, 165-7, 321-4, 433-5, 495-7, 507-9, 555-6; agreed to, 556
Unemployment Insurance bill S-2, 460-2; agreed to, 462
Reports
Adult Occupational Training bill C-195, rep without amdt, 554
Labour Code bill C-183, rep without amdt, 588
Old Age Security bill C-207, rep without amdt, 422-3
St. Lawrence Ports Operations bill C-230, rep without amdt, 614

Heath, Hon. A.E. Haddon
Address in reply to Speech from the Throne, 77-78
Science policy, 78
"Little Revolution", excerpt from article by Eric Nicol in Vancouver *Province*, 78
Senate
Committee work, 77
Duties and responsibilities, 77

Heritage Canada, 16, 104

Hicks, Hon. Henry D.
Introduced in the Senate May 15/72, 332
Farm Credit bill C-5, 577-8
Maximum loan, 577
Powers of corporation, 577
National Capital
Cartier Square, future use of, 353
Sculpture in Confederation Park, 353

Hijacking
Conventions re, 539, 549, 556-8
Penalties, Criminal Code provisions, 428, 430, 438-9, 443, 447

House of Commons
Delay in forwarding of legislation for consideration by Senate, 417-18
Legislation, form of, omnibus bill amending several acts, 437-8

Income tax
British negative income tax, question of privilege re article in New York *Times*, 235
Dividend tax credit, inquiry, 326, 333-4
Provincial inequalities, 334
Tax Reform and You – Highlights for individuals, 333-4

Income tax (Bill C-169)
Corporate tax reduction of 7%, 237-8, 241-2
Extractive industries, tax advantages, 238-41
Personal income tax, additional deduction, 236-7, 241
Senate committee consideration of legislation before bills are received, motion for, 341-5; agreed, 345
Tomorrow's Taxes. An Analysis of 1971 Tax Reform Legislation as contained in Bill C-259, 237
Speakers: Honourable Senators
Beaubien, L.P., 238-9
Connolly, John J., 238, 239
Cook, Eric, 239-40
Forsey, Eugene A., 241
Hayden, Salter A., 235-8, 241-2
Rowe, Fred W., 240-1

Income Tax bill C-169. 1r, 207; 2r, 235-42; ref to com, 242; rep without amdt, 246; 3r, 246; r.a., 293

Indians and Eskimos
Fishermen's assistance program, 43
Indians in penal institutions, 43
Injustices and police brutality in incidents relating to Indians, 43-44
Iroquois League, 41-42; Great Laws, 42
Isolation of first citizens of Canada, 41-44
Poverty, 43, 330-1
Recommendations of Committee on Constitution of Canada, 180
Social problems, 43
Welfare and education costs, BC, 330-1

Inflation, *see* Economy of Canada

Inquiries
Dividend tax credit, 326, 333-4
Penitentiaries
Inmates, authorized temporary absences, 80, 93
Inmates, deaths of, 80, 94-99
See also Questions

Inquiries, calling the attention of the Senate to matters of national and international interest
Agriculture, motion for establishment of Senate Standing Committee, 80-82, 136-8, 146-7, 157-60, 288-91, 319-21, motion agreed to, 321
Cartier Square, future use of, 350-3
Council of Europe, Third Parliamentary and Scientific Conference, 382-4, 413-15
Economy of Canada, effect of unemployment and inflation, 360-6, 384-91, 473
Film Development Corporation, motion for study of administration and operations, 493-4, 537-8
Income Tax Act, dividend tax credit, 326, 333-4
Inter-American Development Bank, 345-8
Interparliamentary Group, Canada-United States, 14th annual meeting, 44-46, 47-51, 109-10, 131-6, 169-70, 518-19
North Atlantic Treaty Organization, Committee meetings at Brussels (May 1972), 466-72
Northwest Atlantic Fisheries International Commission, Washington meeting, motion (Hon. Mr. Burchill) that all nations take steps to ensure survival of Atlantic salmon, 356-7, agreed 357

Inquiries – *Concluded*
Pollution from oil spill, Cherry Point Refinery, 464, 489-93
Public Servants, impropriety of making speeches on matters of policy, 463, 478-87, 516-18, 536-7
Salmon fishing, ban on, effect on economy of New Brunswick, 327-30, 334-9, 355-6, 374-9
Trade and Goodwill Mission to the People's Republic of China, 366-73, 391-4
USSR Parliamentarians visit to Canada, 349-50, 431-3

Inter-American Development Bank, 13th annual meeting at Quito, Ecuador, 345-8
Allocation of loans, 347-8
Canada's subscription to bank stock and fund for special operations, 345, 347
Contract bids by Canadian businesses, 347
Financing of major projects, 346, 348
Market potential, 346, 347
Membership, 346

Internal Economy, Budgets and Administration, Standing Senate Committee
Air travel arrangements for Senators, 246
Appt. of Senators to act between sessions and parliaments, 275-7, 292
Authority to consider matters and report to Senate, 7
Banking, Trade and Commerce Committee budget tabled, 555
Dates and records of meetings, 495, 506
Foreign Affairs Committee budget tabled, 555
Legal and Constitutional Affairs Committee budget tabled, 555
Poverty Committee budget tabled, 555
Science Committee budget tabled, 555
Staff pay increases, 495
Subcommittee on Budgets, 512
Subcommittee on Clerk's Accounts
Accounts tabled, 436; ref to com, 436; rep of com, 554-5; adopted, 563
Members, 512
Subcommittees, membership and expenditures, 506-7, 512

Interparliamentary Group, Canada-United States, 14th annual meeting, 44-46, 47-51, 109-10, 131-6, 169-70, 518-19
Agenda, 47
Anti-dumping, 133
Auto imports, financial statistics, 134
Auto pact, imbalance of, 132-4
Bounty or grant paid by US to assist construction of plants in Canada, 122
Communist China, 49
Defence and Security matters, 48-49, 169
Delegates, 47
Domestic International Sales Corp, 132, 133, 134
European Economic Community, 49
GATT, 133
Tax deferrals, 132-3
Trade and Economic matters, 48, 131-3, 169-70
US investments in Canada, 132
Speakers: Honourable Senators
Beaubien, L.P., 109-10
Connolly, John J., 169-70
Deschatelets, Jean-Paul, 44-45, 47-51
Hayden, Salter A., 131-6
Macnaughton, Alan, 45-46
O'Leary, M. Grattan, 135-6

Judson, Hon. Wilfred, Puisne Judge of the Supreme Court of Canada
Royal assent, 426

Labour
Air Canada, losses during strike, 53-54
Arbitration, compulsory, 322
Arbitration systems of other countries, 54
Breakdown of law and order, 58, 60
BC hospital workers union, 60
Delays in strike settlements, 56
Economic waste, disruption and hardship resulting from labour demands, 53-55, 443-5
Employees in essential services, suggestion for inclusion as public servants, 53
Employment increase, 10-11, 27-29
International Brotherhood of Electrical Workers, dispute with Treasury Board, 9, 40-41
Investigations of various government groups, 323
Labour-management disputes, 57-60, 64-65, 82-83, 89, 150-1, 165-7, 321-4, 433-5, 495-7, 555-6
Longshoremen's strike in Quebec, 555
Manpower training statistics tabled, 588
Membership and responsibilities of proposed Senate investigating committee, 323-4, 435
Public service, advantages in settlement of disputes, 150
Stoppage of operations at west coast ports, 619-23
Revenue-producing areas, demands of, reflection on non-revenue-producing areas, 433-4
Taft-Hartley legislation in US, use in strikes, 59
Trade unions merger, 622
Unemployment, 13, 16, 118
See Labour Code,
St. Lawrence ports operations.

Labour Code
Acquisition and termination of bargaining rights, 579-80
Background of federal labour law, 578
Bargaining notice, conditions re, 581
Definitions, industrial relations, 578
Gallup poll on items relevant to labour unions and members, 580
Job security, 580-1, 582-3, 586, 597-8, 600-1
Labour Relations Board, 579, 599
Long-term collective bargaining agreements, 582
Penalties, 602
Psychological factors in unrest, 600-1
Railway strike, 580, 585, 587
Representation election, proposal for 35 per cent to petition for, 599
Seniority, 599
Settlements in industry without work stoppage, 600; dairy industry, BC, 600
Social responsibility in labour-management disputes, 583-4; Montreal *Gazette* editorial, 584
Taft-Hartley legislation in US, 599
Technological change, 580-7, 597-8, 601
Notice from employer to bargaining agent, 581
Trucking industry, certification of contractors and operators, 598
Union councils, certification of, 599
Speakers: Honourable Senators
Fergusson, Muriel McQ., 583-4
Goldenberg, H. Carl, 578-82, 587
Grosart, Allister, 584, 585-7
Lawson, Edward M., 598-602
Macdonald, John M., 597-8
Manning, Ernest C., 582-3
See also Labour

Labour Code bill C-183. 1r, 566-7; 2r, 578-87; ref to com, 587; rep without amdt, 587; 3r, 597-602; r.a., 617

Labour-management disputes affecting public services, motion for study by Health, Welfare and Science Committee, 82-83, 150-1, 165-7, 321-4, 433-5, 495-7, 507-9, 555-6; motion agreed to, 556
Air traffic controllers and technicians, advantages of management in dispute, 496
Inadvisability of Senate inquiry, 507-9
Irresponsibility in strike areas, 496-7
Medical trade unions, statement of Dr. G. E. Mosher re, 509
Strikes of international significance, 508
Task Force on Labour Relations, 508
Union leaders, publicity through news media, 496, 497
Speakers: Honourable Senators
Buckwold, Sidney L., 150-1
Forsey, Eugene A., 165-7, 321-4, 434
Goldenberg, H. Carl, 507-9
Haig, J. Campbell, 82-83, 555-6
Manning, Ernest C., 434-5
McDonald, A. Hamilton, 433-4
McElman, 496-7

Lafond, Hon. Paul C.
Agriculture, motion for establishment of Standing Senate Committee, 136-8
Amdt, 138, 146-7, 157-8, ruled out of order, 158
Representation Commissioner bill C-203, 564-5
Senate committees
News media reports on, 136-7
Reform of, 137

Laing, Hon. Arthur, P.C.
Appointed to the Senate Sept. 1/72

Laird, Hon. Keith
Air transport, 557-8
Criminal Law Amendment bill 1972 C-2, 427-31, 476
Contempt of court, 429, 476
Corporal punishment, 428
County court judges powers to hear criminal cases with exception of murder, 429
Disturbance of the peace, 430
Driving licence, intermittent suspension of, 429
False fire alarms, 430
Immorality vs criminality, 428
Jury duty, 428-9; discharge of juror, 429; elimination of sex reference, 428-9
Law Reform Commission (Mr. Justice Patrick Hartt), 428, 430
Mental condition of accused, observation without medical certificate, 430; removal of accused while under discussion, 430
Motor vehicle serial number, obliteration of, 429
Offences on aircraft (hijacking), 428, 430; death penalty, 428
Operation of vessels while under influence of alcohol, 430
Penalty of less than 90 days, intermittent sentencing, 429
Possession of house-breaking, vault-breaking and safe-breaking instruments, 429
Slugs used or manufactured for coin-operated machines, 430
Theft and allied offences of over $200, 430

Lamontagne, Hon. Maurice, P.C.
Commission on the Future, motion that Senate sponsor conference for establishment of, 244-5, 261-3, motion agreed to, 263
Film Development Corporation, 537-8
Background of corporation, 537-8
Question of privilege re Senator's right of discussion in committee, 405
Science policy, 68-77
Canadian Research Board, proposal for, 73-74
Collective bargaining in matter of technological change, 69-70
Commission on the Future, 244-5, 261-3
Expenditures, 71
Fellowships and research grants, 71-72
National Research Council, 73
Physical, life and social sciences, basic research centre for, 72, 75-76
Secondary industry, 69
Science Policy, Special Senate Committee
Appointment, 8
Expenses, report tabled, 40
Report, Vol. II, *Targets and Strategies for the Seventies*, 31, 68-77

Lang, Hon. Daniel A.
Criminal Law Amendment bill 1972 C-2, 445-6
Contempt of court, 446
Jury duty, elimination of sex reference, 446

Langlois, Hon. Leopold
Appropriation bill No. 3, 1972 C-221, 529, 540-1
Estimates, 529, 540-1
Pension, War Veterans Allowance, Civilian War Pensions and Allowances, Children of the War Dead (Education Assistance), Department of Veterans Affairs bill C-208, 416-17, 421-2
Escalation of allowances to reflect increases in Consumer Price Index, 415-17
Income tax exemption, 417
Retroactivity, 417

Lapointe, Hon. Renaude
Address in reply to Speech from the Throne, 13-17
Bilingualism in the Public Service, 14
Canadian Film Development Corporation, motion for study of administration and operations, 493-4
Film distribution, 493
French productions, 494
Quotas for Canadian films to theatres in Canada, 493-4
Revenue, 494
Writers, performers, directors, 493
Heritage Canada, 16
International status of Canada, 15
Isolation barriers caused by physical distance, international relations, social stigma, economic deprival, 13, 15
National parks and land preservation, 16
Public Servants, speeches on matters of policy, 487, 518
Quebec problems of social development, 15-16
Royal Canadian Mint, Winnipeg base of coin-making division, 14
Unemployment, 13, 16

Lapointe, Hon. Renaude – *Concluded*
United Nations, Third Committee of the General Assembly, 26th Session at New York City, 299-302
Aid for refugees, disasters, etc., 301
Human rights, 299, 300, 301
Journalists, protection of, 300
Racial discrimination, 299
Social problems, 301
Twinning of cities to promote international co-operation, 301
War crimes, 299-300
USSR Parliamentarians' visit to Canada, 431-3
Canadian literature translated for distribution in USSR, 432
Exchange of Canada-USSR parliamentary documents and newspapers, 432-3
Free intellectuals, repression by Soviet government, 432
Gazette litéraire (editor Alexander Chakovsky), 431-2
Women in public life, 14-15

Lawson, Hon. Edward M.
Address in reply to Speech from the Throne, 54-57, 119-21
Air Transport, Conventions for the Suppression of Unlawful Seizure of Aircraft and for the Suppression of Unlawful Acts against Civil Aviation, 556
Appropriation bill No. 1, 1972 C-175, 254
Canada-US relations, 120-1
"Commerce Today, A Look at Business in 20 Years", report of Washington conference, 120-1
CBC, capital expenditures and programming, 254
Labour Code bill C-183, 598-602
Job security, 600-1
Labour Relations Board, 599
Penalties, 602
Psychological factors in unrest, 600-1
Representation election, proposal for 35 per cent to petition for, 599
Seniority, 599
Settlements in industry without work stoppage, 600; dairy industry, BC, 600
Taft-Hartley legislation in US, 599
Technological change, 601
Trucking industry, certification of contractors and operators, 598
Union councils, certification of, 599
Labour-management crisis, 54-57, 60
Breakdown of law and order, 60
BC hospital union and public service, 56, 60
Delays in process of mediation, 56
Economic waste, 55
Systems of arbitration used in other countries, 54
Land preservation, 120
Pensioners for Action in BC, 120
Unemployment, 119-20
Federal-provincial conferences, 119
Fixed incomes, 120
Inflation, 119-20
West Coast Ports Operations bill C-231, 622-3
Cautions required and basic criteria re legislation, 622-3
Merger of trade unions, 622
Women in public life, 120; housewives, 120

Leader of the Government in the Senate
Martin, Hon. Paul, P.C.

Leader of the Opposition in the Senate
Flynn, Hon. Jacques, P.C.

Lefrançois, Hon. J. Eugene
Poverty, 130-1
Potential of welfare recipients, 131

Legal and Constitutional Affairs, Standing Senate Committee
Authority to examine and report on the parole system in Canada, 7
Authority to sit during adjournments of the Senate, 454
Budget tabled, 555
Reports
Criminal Law Amendment bill 1972 C-2, rep without amdt, 474
Expenses, tabled, 40
Parliament Hill bill C-78, rep with amdts, 325-6

Legislation
Delay in receipt of bills from Commons, 417-18
Omnibus bill amending several acts, 437-8

Library of Parliament
Report of Librarian tabled, 6

Macdonald, Hon. John M, Chief Opposition Whip in the Senate
Address in reply to Speech from the Throne, 116-19
Adult Occupational Training bill C-195, 545-6
Allowances, flexibility in payment of, 545
Further amdts suggested, 546
'The poor and the manpower system', excerpt from Poverty Committee report, 545-6
Consitution of Canada, 458-60
Patriation of the Constitution and amending procedure, 459-60
Senate reform, 458-60; veto power, 459
Crime, compensation to victims of, 116-17
Farm Credit bill C-5, 574-6
Brief submitted by National Farmers Union, 575
Maximum loans, 575-6
Provincial governments' objections, 576
Reaction of farm organizations, 575-6
Labour Code bill C-183, 597-8
Job security, 597-8
Technological change, 597-8
Legislation, amdts to more than one act consolidated in one bill, 117
Local initiatives program, Nova Scotia, 40
Parole system, 117
Penitentiary inmates, authorized temporary absences, 80, 93
Penitentiary inmates, deaths of, 80, 94-99
Pension bill C-215, 566
Poverty, 117-19; guaranteed annual income, 118
Representation Commissioner bill C-203, 565
Unemployment, government policies re, 118-19
Unemployment Insurance bill S-2, 296-7, 462
Wheat Board bill C-204, 541-3, 562, 563
Offences and penalties, 542, 563
Powers of Wheat Board, 542-3

Macnaughton, Hon. Alan A., P.C.
Interparliamentary Group, Canada-United States, 45-46
Parliament Hill bill C-78, 273

Manning, Hon. Ernest C., P.C.
Appropriation bill No. 1, 1972 C-175, 252-3
CBC, capital expenditures and programming, 252-3
Criminal Law Amendment bill 1972 C-2, 447-8
Motor vehicle serial number, obliteration of, 447
Offences on aircraft (hijacking), 447
Media reports on details, detrimental effects of, 447-8
Trend toward emphasis on extenuating circumstances and rehabilitation, 448
Federal-Provincial Fiscal Arrangements bill C-8, 193-6
Education, public health, social welfare, 194
Natural resources, provincial rights to revenues from, 194
Provincial allocations, 195-6
Revenue equalization payments, 194-6
Labour Code bill C-182, 582-3
Job security, 582-3
Long-term collective bargaining agreements, 582
Technological change, 582
Labour-management disputes affecting public services, 434-5
Disruption and hardship resulting from labour demands, 434
Study of problems and related issues, consideration by special Senate committee suggested, 435

Martin, Hon. Paul, P.C., Leader of the Government in the Senate
Address in reply to Speech from the Throne, 24-30
Agriculture, 320
Air transport, Conventions for the Suppression of Unlawful Seizure of Aircraft and for the Suppression of Unlawful Acts against Civil Aviation, 539, 558
Committee meetings, conflict in scheduling of, 473
Deschatelets, Hon. Jean-Paul, Speaker, tribute to His Honour at close of session, 616
Economic conditions, editorials on, 27-28
Estimates, fiscal year ending Mar. 31/73, 523, 524-5
Government spending, increase in, 523
Ratio of federal and provincial expenditures, 524
Statutory and non-statutory expenditures, 524
Federal-Provincial Fiscal Arrangements bill 1972 C-8, 171-4, 197-8, 209-10
Guaranteed annual income, 174
Municipal governments, 198
Natural resources, provincial revenues from, 210
Post-secondary education payments, 173-4
Provincial tax revenue guarantee payments, 173
Quebec, 209-10
Regulations, 174
Revenue equalization payments, 171-2, 198
Tax collection agreements, 172-3
Transfer payments with respect to tax on 1971 undistributed income on hand, 173
Foreign affairs
Inter-American Development Bank, 345-8
International responsibilities, 30
Southern Sudan, 454
UN Trade and Development Conference, Santiago, 312-16
US President Nixon's visit to Canada, 308-11
USSR Parliamentarians' visit to Canada, 124
Immigration, detention without access to counsel, 18

Martin, Hon. Paul, P.C. – *Continued*
Inflation, 27
Inter-American Development Bank, 13th annual meeting at Quito, Ecuador, 345-8
Allocation of loans, 348
Canada's subscription to bank stock and fund for special operations, 345
Contract bids by Canadian businesses, 347
Financing of major projects, 346, 348
Market potential, 346
Membership, 346
Internal economy, appt. of Senators to act between sessions and parliaments, 275, 276, 277
International Brotherhood of Electrical Workers dispute with Treasury Board, 40-41
Legislation, introduction of government bills in the Senate, 316
Local Initiatives Program, applications from Nova Scotia, 212
Manpower training statistics tabled, 588
National Gallery, acquisition of "Klonos", 488
Old Age Security bill C-207, 395-7, 404, 405, 406, 410-11, 424
Aging, recommendations of Special Senate Committee, 396
Benefit provisions retroactive to Jan. 1/72 according to consumer price index, 396-7
Government expenditures re new legislation, 397
Income security (1963-70), 396
Income tax exemption, 397
Residence requirement, 396
Parliament Hill bill C-78, 332
Regulations and other Statutory Instruments, Special Joint Committee, motion for appointment, 37-38, 106-9, 122-3; motion agreed to, 123
Members, 37; omission of Senators' names in newspaper report on committee, 225
Rules
Amendments, proposal (Hon. Mr. Molson) for discussion in Committee of the Whole, 472, 473
Committee meeting during sitting of Senate, authority for withheld, 466
Orders of the Day, point of order on, 358, 359
Orders of the Day, question of privilege, 495
Rules re establishment of Standing Senate Committees, 320
St. Lawrence Ports Operations bill C-230, 604-7, 613-14
Arbitration hearings and report on, 605
Job security, 614
Resumption of operations, 605-6
Violation of collective agreement by Maritime Employers Assoc. and employees, 604-6
Science policy, 550-3
Commission on the Future, 550
Fellowships and grants, 551
Industrial and manufacturing research, 552
International co-operative projects, 552
National audit of R and D projects, 551
Research board, 551
Research expenditures, 550, 551
Senate
Business, 353, 357, 379-81, 436, 437, 450, 451, 564, 566, 602, 603-4
Committee reports submitted to government, 26-27
Prestige of Senate, question of privilege (Hon. Mr. Flynn) re motion by Prime Minister on house adjournment, 615
Sitting of Senate while Commons adjourned, statement re, 566
Work during Third Session, 25-27
Social changes, 28-29
Southern Sudan, request for aid, 427-8, 454
Trade relations, Canada-US, 29
Unemployment, 27; local initiatives programs, 27
Unemployment Insurance bill S-2, motion that subject matter be referred to committee, 460-2, agreed, 462
Labour force statistics, 460-1
Maximum benefit, 461
Qualifying period, 461

Martin, Hon. Paul, P.C. – *Concluded*
Unemployment Insurance bill S-2 – *Concluded*
Retired persons, 461
Sickness and maternity contingencies, 461
United Nations, Trade and Development Conference, Santiago, Chile, 312-16
Developing countries, Canada's commitment to, 313-14, 315
Generalized Preference System, 313
International commodity agreements, 313
International Monetary Fund, 312-13; special drawing rights, 313
United States President Nixon, address to both Houses of Parliament, 298, 309-11
Introductory speech of Prime Minister Trudeau, 308-9
USSR parliamentarians, visitors to Senate, 124
West Coast Ports Operations bill C-231, 619-20
Backlog of shipments due to work stoppage, 619
Longshoring operations, resumption of, 620
Mediation procedures, 619-20
Term of collective agreements extended, 620
Wheat Board storage facilities at Saskatoon, 292
Windsor, His Royal Highness the Duke of, message of sympathy to the Royal Family and to the Duchess of Windsor on the death of the Duke of Windsor, 427

McDonald, Hon. A. Hamilton, Chief Government Whip in the Senate
Agriculture, 288-91, 320, 533
Farm elevator system, 289
Federal Grain Co., sale of, 290-1
Grain handling facilities, 290
Income of farmers, 533
Rail line rationalization, 289-90
Surplus farm produce, 289
Wheat production and prices, 533
Agriculture, Standing Senate Committee, appointment of members, 520
Air travel arrangements for Senators, 246
Appropriation bill No. 1, 1972 C-175, 251-2
Canadian Broadcasting Corporation, 251-2
Committee meetings, conflict in scheduling of, 472, 473
Constitution of Canada
Patriation of the Constitution, 459-60
Victoria Charter of June 1971, excerpt from, 460
Senate reform, 458-9
Role of the Senate, 459
Veto power, 459
Constitution of Canada, Special Joint Committee, appointment and terms of reference, 52
Electoral Boundaries Readjustment (Temiscouata) bill C-172, 274
European Economic Community, 164-5
Barley exports from Canada to UK and other world markets, 164-5
GNP and living standards in Europe, 164-5
UK entry into community, effect on Canada, 164
Federal Grain Company, sale of, 116
Foreign affairs, Canadian relations with expanded European communities, 163-5
Internal Economy, Budgets and Administration Committee
Dates and records of committee meetings, 495, 506
Staff pay increases, 495
Subcommittee on Budgets, 512
Subcommittee on Clerk's Accounts, 512
Subcommittees, membership and expenditures, 506-7, 512
Labour-management disputes affecting public services, 433-4
Revenue-producing areas, demands of, reflection on non-revenue producing areas, 433-4

McDonald, Hon. A. Hamilton – *Concluded*
North Atlantic Treaty Organization, Committee meetings at Brussels (May 1972), 466-72
Economic committee, 467
Education, cultural affairs and information committee, 467
Military and Political Committees, 467-72
Berlin agreement, 468
Defence personnel wages and benefits, competition with industry, 471; USSR comparison, 471
European Economic Community, concern to USSR, 469
Freedom and security, contributions in relation to GNP, 470
Mutual balanced force reductions (MBFR), 468
Security agreements between West Germany, USSR, Poland and East Germany, 468
Security and co-operation conference, proposal of USSR, 467-8
Strategic Arms Limitations Treaty (SALT), 468, 470
US forces in Europe, 468
USSR naval forces, 469-70; torpedo boats, and other implements of war, 469-70
Warsaw Pact, 468
Publication of NATO accomplishments, press role in, 467
Science and Technology committee, 467
Parliament Hill bill C-78, 272, 273, 291-2
"Parliament Hill", use of expression, 272
Quebec Legislature, 273, 291-2
Representation Commissioner bill C-203, 564
Senate business, 453-4, 595-6, 602
Adjournment, 520
Distribution of bills, 563, 564
West Coast Ports Operations bill C-231, 623
Wheat Board bill C-204, 562
Wheat Board report, Agriculture Committee authorized to study, 533

McElman, Hon. Charles
Fisheries, effect on New Brunswick of ban on commercial fishing of salmon, 374-9
Compensation to fishermen deprived of livelihood, 376, 379
Depletion of salmon stock, 374
Fish hatchery, Mactacquac, 375
Investigation of problem by eastern regional representatives, suggestion for, 377
Pollution of NB rivers, 374-6
Prices and markets, 378
Time regulations and policy decisions detrimental to fishermen, 376
Labour-management disputes affecting public services, 496-7
Air traffic controllers and technicians, advantages of management in dispute, 496
Irresponsibility in strike areas, 496-7
Union leaders, publicity through news media, 496, 497
Orders of the Day, point of order on, 358

McIlraith, Hon. George J., P.C.
Introduced in the Senate May 15, 1972, 332
Parliament Hill bill C-78, 332
Rules of the Senate, order of business, 513, 514

Methot, Hon. Leon
Deceased August 7, 1972

Michaud, Hon. Herve J.
Address in reply to Speech from the Throne, 31-34
Agriculture, 158-60
Co-operatives, 159
Information sources, 159-60
Kent Co., NB, farm incomes, 159
Small farms development program, 160
Social and economic indicators, 158-9
Farm Credit bill C-5, 573-4
Age qualification for loan, 574
Capital, 573
Corporation powers, 573
Maximum loans, 573-4
Use of building or building site by person other than borrower, 574
Rural development, prospects and problems, 31-34
Incomes, 33
Kent Co., NB., 32-34
Land prices, 33
Land use, 33
NewStart, 33

Mining
Iron ore industry, 239-41; employment, 239
Labrador Mining and Exploration Co., 239-40
Tax advantages for extractive industries, 238-41

Molgat, Hon. Gildas L.
Constitution of Canada, rep of Special Joint Committee, 157, 175, 176-88; report tabled, 157, correction re NCC, 175
Bill of Rights, 180
Emergencies affecting national economy, federal government responsibility in solution of, 179-80
Head of state, 180
Language rights, 180
National Capital Commission, 175
Native people, 180
Senate reform, regional representation, 179, 180; retirement age of Senators, 180
Summary of recommendations, 183-9
Farm Credit bill C-5, 576-7
Federal jurisdiction of corporation, 576-7
Powers of corporation, 576, 577
Secondary non-farm enterprises, 577

Molson, Hon. Hartland de M.
Committee meetings, conflict in scheduling of, 472-3
Criminal Law Amendment bill 1972 C-2, 446-7
Capital punishment, 446
Corporal punishment, 446-7
Fisheries, ban on commercial salmon fishing, effect on New Brunswick economy, 334-8, 339, 378
Depletion of salmon breeding stock by Danish fishermen, 335-6, 339; boycott suggestions, 336
Economic value of 1966 Atlantic salmon catch, 337
Eels, question of menace to salmon, 339
Greenland and Davis Straits fisheries, statistics on, 336
Quebec net restrictions and catch limits, 336-7
Research and breeding, expenditures on, 336

25312—44

Molson, Hon. Hartland de M. – *Concluded*
Northwest Atlantic Fisheries International Commission, motion (Hon. Mr. Burchill) that all nations take steps to ensure survival of Atlantic salmon, 357
Rules
Agriculture, Standing Senate Committee, establishment under Rule 67 (1) (m), 502-3
Amendments, proposal for discussion in Committee of the Whole, request indicated out of order, 472-3
Business, 436, 450-1, 453
Committee meeting during sitting of Senate, question of, 464
Committee of Selection, amdt to Rule 66, 503, 515
Hours of sitting, 436
Motions during debate, previous question, amdt to Rule 36, 503, 514
One day's notice of certain motions, amdt to Rule 45, 503, 514-15
Order of business, amdt to Rule 19, 503, 513-14
Precedence among orders of the day, amdt to Rule 21, 503, 514
Special Committees, appointment of, amdt to Rule 74, 504, 516
Standing Committees, amdts to Rule 67
Agriculture, 502-3, 504, 515
Banking, Trade and Commerce, 504, 515
ex officio members, 504, 515-16
Foreign Affairs, 503, 515
Health, Welfare and Science, 504, 515
Internal Economy, Budgets and Administration, 503, 515
Legal and Constitutional Affairs, 504, 515
National Finance, 504, 515
Transport and Communications, 503-4, 515
Suspension of rule, amdt to Rule 3, 503, 513
Standing Rules and Orders Committee
Reports
Agriculture Committee, establishment of, 502-3
Rules of the Senate, amdts, 502-4; *see also* 512-16

National Capital
Cartier Square, future use of, 350-3
Proposals for parking lot, complex of buildings, National Gallery, undesirability of, 351-2
Parliament Hill, use of expression restricted to National Capital location of Parliament, 272-4, 291-2, 325-6, 332
Sculpture in Confederation Park, 351-3
Expenditures for, 352
'Visual pollution' of area, 352

National Defence Act, amdts, *see* Criminal Law Amendment bill 1972 C-2

National Finance, Standing Senate Committee
Estimates, year ending Mar. 31/72, Supplementary (B), authority to examine and report on, 100
Estimates, year ending Mar. 31/73, authority to examine and report on in advance of bills being received in Senate, 31
Reports
Estimates, year ending Mar. 31/72, Supplementary (B), 210-12, 226-33
Estimates, fiscal year ending Mar. 31/73, 504-5, 510-11, 520-5
Expenditures re examination of question *Growth, Employment and Price Stability*, report tabled, 53

NATO, *see* North Atlantic Treaty Organization

Neiman, Hon. Joan
Appointed to the Senate Sept. 1/72

New Brunswick
Incomes below poverty line, 33, 159
Kent Co., rural development, prospects and problems, 32-34
Land use and land prices, 33
NewStart, 33
Salmon, ban on commercial fishing of, effects on economy of New Brunswick, 327-30, 334-9, 355-6

Newfoundland
Ferry service, Sydney, Nova Scotia to Port aux Basques, Newfoundland, 243
Labrador Mining and Exploration Company, 239-41
Poverty in Labrador and Newfoundland, 287

Norrie, Hon. Margaret
Introduced in the Senate, May 15/72, 332
Adult Occupational Training bill C-195, 543-5, 561, 568-71
Allowances, flexibility in payment of, 543
Definition of 'adult', 543, 544-5
Eligibility for training, 543
Financial arrangements between Manpower Dept. and provinces, 544
On-the-job training, 543-4, 545
Training outcome of major course groups, 561, 568-71

North Atlantic Treaty Organization, Committee meetings at Brussels (May 1972), 466-72
Economic committee, 467
Education, cultural affairs and information committee, 467
Military and Political Committees, 467-72
Berlin agreement, 468
Defence equipment costs, 470
Defence personnel wages and benefits, competition with industry, 471; USSR comparison, 471
European Economic Community, concern to USSR, 469
Freedom and security, contributions to in relation to GNP, 470
Mutual balanced force reductions (MBFR), 468
Security agreements between West Germany, USSR, Poland and East Germany, 468
Strategic arms limitations treaty, (SALT), 468, 470
US forces in Europe, 468
USSR naval forces, 469-70; torpedo boats, and other implements of war, 469-70
Warsaw Pact, 468
Publication of NATO accomplishments, press role in, 467
Science and Technology committee, 467

Northwest Atlantic Fisheries International Commission, Washington meeting
Motion (Hon. Mr. Burchill) that all nations take steps to ensure survival of Atlantic salmon, 356-7; agreed to, 357

Northwest Territories
Territorial Court, change of name to Supreme Court of Northwest Territories, 175, 198-9, 212

Nova Scotia
DREE program, 385; Michelin tire plant, 385; fish plants, 385, municipal projects, 386-7
Local initiatives programs, 387
Opportunities for Youth, 386-7

Official languages, *see* Bilingualism

Oil spill, Cherry Point Refinery, motion for support of reference to International Joint Commission, 464, 489-93, agreed, 493

Old age security
Aging, recommendations of Special Senate Committee on Aging, 396
Benefit provisions retroactive to Jan. 1/72, according to consumer price index, 396-7
Delay in transmission of bill C-207 to Senate and lack of time for consideration, 397-400
Government expenditures as result of bill C-207, 396
Income supplement, 407; means test, 407
Income tax exemption, 397
Provincial consultation, 400-1; Quebec, 400-1
Residence requirement, 396
Speakers: Honourable Senators
Flynn, Jacques, 397-403, 405, 406, 410-11, 423, 425
Grosart, Allister, 403-6, 407-8
Martin, Paul, 395-7, 404, 405, 406, 410-11, 424
Phillips, Orville H., 408-10, 424-5

Old Age Security bill C-207. 1r, 395; 2r, 395-410; ref to com, 410-11; rep without amdt, 422-3; 3r, 423-5; r.a., 426

O'Leary, Hon. M. Grattan
European Economic Community, 148-50
Canada-US relations, 149
Competition to Canadian trade, 148-9
Pulp, paper and newsprint industry, 148-9
UK entry into market, 148
Inter-American Development Bank, 347-8
Allocation of loans, 347-8
Interparliamentary Group, Canada-United States, 135-6
Canada-US relations, 135-6
Orders of the Day, question of privilege re, 495
Public servants, making of speeches on matters of policy, 495, 516-17
Foreign Affairs, article by Mr. Ivan Head, staff of Prime Minister, 517
Merit system, 517, 518
Instigated by Sir Robert Borden, 517
Recognition of French-Canadians, responsibility in, 517-18

Opening of Fourth Session of Twenty-eighth Parliament
Communication from Secretary to Governor General, 1
Speech from the Throne, 1-4
Address in reply, motion for termination on eighth sitting day, 7; motion that Address be engrossed and presented to Governor General, 121; motion that Address be adopted, 121
See Address in reply to Speech from the Throne

Opportunities for Youth
"Crazy Daze Summer Program", 392
Nova Scotia projects, 386-7
Rejection of application from faculty of dentistry, 366

Orders and Customs, Standing Senate Committee
Appointment, 5

Orders of the Day, *see* Rules of the Senate

Pacific region
Aid to underdeveloped countries, 191
Exports and imports, manufactured and raw materials, 190
Imports from Japan (1971), 190
Peking conference, 190
Science and Technology Mission to Japan, 190
Speaker: Honourable Senator
Aird, John B., 190-1

Parliament Hill
Boundaries of Parliament Hill defined, 273-4
Use of "Parliament Hill" designation by Quebec Legislature and by commercial establishment, 272-4, 291-2, 325
Speakers: Honourable Senators
Buckwold, Sidney L., 273
Flynn, Jacques, 272-3, 326
Forsey, Eugene A., 273-4, 325-6
Macnaughton, Alan, 273
McDonald, A. Hamilton, 272, 273, 291-2
Prowse, J. Harper, 274, 325

Parliament Hill bill C-78. 1r, 272; 2r, 272-4, 291-2; ref to com, 292; rep with amdts, 325-6; 3r, 326; Commons concurrence in amdts, 332; r.a., 426

Parliamentary procedures
Legislation, initiation in the Senate, 89-90
Minority government, want of confidence vote, 91-92
Order of business, first day of session, 90
Pro forma bill, 90-91, 92
Speech from the Throne, consideration of, 91-92

Parole Act, amdts, *see* Criminal Law Amendment bill 1972 C-2

Penal reform
Capital punishment, 64
Indians in penal institutions, 43
Sex deviates, 64

Penitentiaries
Inmates, authorized temporary absences, 80, 93
Inmates, deaths of, 80, 94-99

Pension Act, War Veterans Allowance Act, Civilian War Pensions and Allowances Act, Children of the War Dead (Education Assistance) Act, Department of Veterans Affairs Act, bill C-208. 1r, 411; 2r, 416-22; 3r, 422; r.a., 426

Pension bill C-215. 1r, 559-60; 2r, 565-6; 3r, 573; r.a., 617

Pensions, war veterans allowance, civilian war pensions, etc.
Backlog of applications, 566
Commissioners of CPC, increase in, 565
Delay in receipt of legislation, 417-18
Escalation of allowances to reflect increases in Consumer Price Index, 416-17, 418
Income tax exemption, 417
Retroactivity, 417
Veterans basic pension vs wages for untrained labourer, 418-19
Woods Committee (to survey the organization and work of the Canadian Pension Commission), 418, 565
Speakers: Honourable Senators
Carter, Chesley W., 420-1, 565-6
Langlois, Leopold, 416-17, 421-3
Phillips, Orville H., 419-20, 421, 422
White, George S., 417-19, 422

Phillips, Hon. Orville H.
Economy of Canada, effect of unemployment and inflation, 365-6
Local Initiatives programs, 364
Opportunities for Youth, rejection of application from faculty of dentistry, 366
Farm Credit bill C-5, 588-91
Development Plan for Prince Edward Island, 590
Freight rates, 589
Incentive grant or forgivable debt, 591
Incomes of farmers, 588-9
Interest rate, 589, 591
Loan arrears, 589
Machinery costs, 589
Maximum loan, 589
Open-ended mortages, 590
Internal Economy, Budgets and Administration Committee
Staff pay increases, 495, 507
Subcommittees, chairmen and members of, and authorization for expenditures of, 506, 507
Old Age Security bill C-207, 408-10, 424-5
Pension, War Veterans Allowance, Civilian War Pensions and Allowances, Children of the War Dead (Education Assistance), Department of Veterans Affairs bill C-208, 419-20, 421, 422

Point of Order
Legal opinion from the Chair, 505-6
Orders of the day, 357-9
Speech after Speaker's ruling to adjourn during pleasure, 406
See Rules of the Senate

Pollution
Oil spill, Cherry Point Refinery, motion for support of reference to International Joint Commission, 464, 489-93; agreed, 493
Shelburne harbour, N.S., study project under Opportunities for Youth, 387

Poverty
Below-poverty line families, statistics on, 219, 454-5
Children, effects of poverty on, 219-20
Disparity in provincial incomes, 535
'Endorsements, reservations and proposals for action', excerpt from release of Family Service Assoc., Toronto, 526-7
Family allowances, 221
Full employment, committee recommendations re, 525-6
Guaranteed annual income, 118, 127, 287-8, 456-8, 526-7, 535
Gallup poll results on opinions re, 127
Manitoba experiment, 457
Massachusetts bill, 457
Precedents for, 526
UK, negative income tax proposal, 457-8
Indians of Canada, 330-1
Welfare and education costs, B.C., 330-1
Isolation barriers caused by social stigma, economic deprivation, 10-13, 15, 34-36, 41-44
Minimum wage vs welfare payments, 218-19
Negative income tax, 528
New Brunswick, 217
Newfoundland and Labrador, 287
Potential of welfare recipients, 131
Prime Minister's speech as reported in Toronto *Star*, 128-9
Rural poverty, 217
UN Declaration of Human Rights, Article 25(1), re standard of living, 217
Vanier Institute brief submitted to com, 288
Voluntary and government services, criticisms in committee report, 456
Welfare administration, gallup poll results on opinions re, 128
Welfare dietary supplement, suspension of, demonstration in Montreal re, 295
Working poor, 455, 535-6
Working women, 220-1
Speakers: Honourable Senators
Carter, Chesley W., 525-8
Croll, David A., 126-30, 131, 174, 295, 533-6
Duggan, James, 286-8
Eudes, Raymond, 34-36
Fergusson, Muriel McQ., 216-22
Lefrançois, J.E., 130-1
Thompson, Andrew, 454-8
Williams, Guy, 41-44, 330-1

Poverty in Canada, Special Senate Committee
Appointment, 8
Budget tabled, 555
Reports
Expenses, report tabled, 31
Final report, 126-31, 216-22, 286-8, 330-1, 454-8, 525-8, 533-6

Prairie provinces
Federal-provincial fiscal arrangements, provincial rights to revenues from natural resources, 194-7
Wheat, two-price system, 11-12

Prince Edward Island
Centennial celebrations, 103-4
DREE program, 105, 106
Housing grants, 106
Transportation and communications, aspects of isolation, 105
Unemployment insurance, fishermen, 106

Private bills
See Bills, general data,
Bills, Private, Commons,
Bills, Private, Senate.

Privilege, Question of
British negative income tax (Hon. Mr. Croll), 235
Demonstration in Montreal re suspension of welfare dietary supplement (Hon. Mr. Croll), 295
Orders of the day (Hon. Mr. O'Leary), 495
Reflection upon integrity of Chairman of Banking, Trade and Commerce Committee (Hon. Mr. Hayden), 498-502
Senate prestige in relation to motion by Prime Minister on house adjournment (Hon. Mr. Flynn), 615
Translation services (Hon. Mr. Forsey), 125-6, 302
See Rules of the Senate

Prorogation of Fourth Session of Twenty-eighth Parliament
Communication from Administrative Secretary to Governor General, 623-4
Speech from the Throne, Hon. Emmett M. Hall, 624-5

Prowse, Hon. J. Harper
Legal and Constitutional Affairs Committee, report of expenses tabled, 40
Parliament Hill bill C-78, 274, 325
Commercial service rendering establishment, 274, 325
Location, National Capital Region, 325
Pollution, oil spill at Cherry Point refinery, 492-3
Senate business, 451

Public bills
See Bills, general data,
Bills, Public, Commons,
Bills, Public, Senate.

Public Servants, impropriety of making speeches on matters of policy, 463, 478-87, 516-18, 536-7
Bilingualism in the public service, 482-4, 536-7
BNA Act convention re public pronouncements on matters of policy, 478
Bureaucracy in Canadian Government, Selected Readings, 485
Chairman J.J. Carson, Public Service Commission, report to Parliament, 480-7; merit system, 480-5; Public Service officials, 485-7
Changing Role of the Privy Council Office and *Official Responsibility, Private Conscience and Public Information,* 479
Civil Service of Canada, excerpt re commissioners' statement, 480
Foreign Affairs, article by Mr. Ivan Head, special assistant to the Prime Minister, 517
French-Canadians and responsibility in recognition of, 516-18
Merit system, 480-5, 517, 518
Instigated by Sir Robert Borden, 517
Native people, employment of, 484
Public Service Employment Act, provisions re Commission report to Parliament, 480
Recruitment programs and suggestions to provide employment opportunity without discrimination, 482-3
Right to dissent privately, excerpt from statement of Clerk of Privy Council to Royal Society of Canada, 484-5
Role of public servant in formation of policy, 479
Statutory exceptions to constitutional rule re statements on policy, 479-80
Auditor General, 479
Chief Electoral Officer, 479
Official Languages Commissioner, 479
Women in the Public Service, 482, 484
Speakers: Honourable Senators
Flynn, Jacques, 536-7
Forsey, Eugene A., 478-87, 518
Lapointe, Renaude, 487, 518
O'Leary, M. Grattan, 516-18

Public Service
International Brotherhood of Electrical Workers dispute with Treasury Board, 9, 18, 40-41
Labour-management disputes affecting essential services, 82-83, 150-1, 165-7
Speeches made by public servants, impropriety of, 463, 478-87, 516-18, 536-7
Women in the Public Service, 14-15, 482, 484

Quart, Hon. Josie D.
Fisheries, Gaspé salmon, 377-8

Quebec
Federal-provincial fiscal arrangements, 195-7
Federal-provincial relations, 22-23
Incentive programs, 16
Natural resources, utilization of, 197
"Parliament Hill", use of designation by Quebec Legislature, 273, 274, 291-2
Social development problems, 15-16
Unemployment, 16

Question of Privilege, 125-6, 235, 295, 302, 495, 498-502, 615
See Privilege, Question of

Questions
Immigration, detention without access to counsel, 18
Internal Economy, Budgets and Administration Committee
Dates and records of meetings, 495, 506
Staff pay increases, 495, 506
Subcommittees, membership and expenditures, 506-7, 512
International Brotherhood of Electrical Workers, labour relations, 9, 18, 40-41
Legislation, introduction of government bills in the Senate, 316
Local initiatives program, Nova Scotia, 40, 212
Longshoremen's strike in Quebec, 555
National Gallery, acquisition of "Klonos", 487-8
Southern Sudan, request for aid, 427-8, 454
USSR parliamentarians visit to Canada, 103
Wheat Board storage facilities at Saskatoon, 277, 292
See also Inquiries

Railways bill S-1 (pro forma). 1r, 5

Regulations and other statutory instruments
British House of Commons committee, 108
Excerpt from speech of Justice Minister, 107
New Despotism, The, 107
Scrutiny Committee, responsibilities and powers, 108-9
Speakers: Honourable Senators
Burchill, G. Percival, 40
Connolly, John J., 39
Flynn, Jacques, 38-39
Forsey, Eugene A., 122-3
Goldenberg, H. Carl, 106-9
Grosart, Allister, 39-40
Martin, Paul, 37-38

Regulations and other Statutory Instruments, Special Joint Committee
Appointment, motion for, 37-40, 106-9, 122-3; motion agreed to, 123
Authority to meet during adjournments of Senate, 331
Members
Commons, 209
Senate, 37
Omission of Senators' names in newspaper report on committee, 225

Representation Commissioner bill C-203. 1r, 559; 2r, 564-5; 3r, 573; r.a., 617

Ritchie, Hon. Roland A., Puisne Judge of the Supreme Court of Canada
Royal assent, 497, 567

Rowe, Hon. Fred W.
Address in reply to Speech from the Throne, 60-67
Bilingualism, 61
Drugs, 62-63, 66-67
Controls, lack of, 66
Marijuana, 67
Usage by youth, 62-63, 66-67
Financial power of large industrial interests, 65-66
Tobacco and drug market, 66
Fisheries, ban on commercial salmon fishing, effect on New Brunswick economy, 338-9
Eels, destruction of embryonic salmon, parrs and smolts by, 339
Income Tax bill C-169, 240-1
Labrador Mining and Exploration Co., investment of private capital, 240, 241
Labour relations, 64-65
Penal reform 63-64
Capital punishment, 64
Sex deviates, 64
Sons elected to Newfoundland Legislature, felicitations on the occasion of, 235
Youth, rebellion against modern values and resulting violence, 61-63, 66

Royal assent, 292-3, 426, 497, 567, 617, 624
Fauteux, Rt. Hon. Gerald, 292-3
Hall, Hon. Emmett M., 624
Judson, Hon. Wilfred, 426
Ritchie, Hon. Roland, 497, 567
Spence, Hon. Wishart F., 617

Rules of the Senate
Agriculture, Standing Senate Committee, establishment of, new Rule 67(1)(m), 502-3
Amdt to motion for establishment of committee, point of order on relevancy of, 138, 146-7, 157-8
Amdts to Rules, report of Standing Rules and Orders Committee; proposal for discussion in Committee of the Whole, request indicated out of order, 472-3
Report presented, 502-4; considered in Committee of the Whole, 512-16; reported without amdt, 516; adopted, 516
Code of conduct for Senators, motion (Hon. Mr. Croll) that Committee on Standing Rules and Orders consider principles of, 478, 505-6
Committee meeting during sitting of Senate, authority withheld, 464-6
Committee meetings, conflict in scheduling of, 472-3
Committee of Selection, amdt to Rule 66, 503, 515
Leave to proceed on one or two day's notice, 463, 464
Legal opinion from Chair, point of order, Speaker's ruling, 505-6
Motions during debate, previous question, amdt to Rule 36, 503, 514
One day's notice of certain motions, amdt to Rule 45, 503, 514-15
Order of business, amdt to Rule 19, 503, 513-14
Orders of the Day, item reinstated (Air Transport), 556
Orders of the Day, point of order on, 357-9
Orders of the Day, question of privilege re, 495
Precedence among orders of the day, amdt to Rule 21, 503, 514
Question of precedent re Parliament Hill bill C-78, 332
Senator may not speak twice to question, 518
Senator's right of discussion in committee, question of privilege re, 405
Speech after Speaker's ruling to adjourn during pleasure, point of order, 406

Rules of the Senate – *Concluded*
Standing Committees, amdts to Rule 67
Agriculture, 504, 515
Banking, Trade and Commerce, 504, 515
ex officio members, 504, 515-16
Foreign Affairs, 503, 515
Health, Welfare and Science, 504, 515
Internal Economy, Budgets and Administration, 503, 515
Legal and Constitutional Affairs, 504, 515
National Finance, 503, 515
Transport and Communications, 503-4, 515
Suspension of rule, amdt to Rule 3, 503, 513
Suspension of Rule 95 re Unity Bank of Canada bill C-164, 207-8
Suspension of rules to expedite legislation, 406

Rural development
Kent Co., NB, 32-34
Rural Canada 1970: Prospects and Problems, 32-33

St. Lawrence ports operations
Violation of collective agreement by Maritime Employers Assoc. and employees, 604-7, 609-14
Arbitration hearings and report on, 605, 609
Invalidity of strike declaration, 605, 609-10
Job security, 611, 614
Penalties, 612
Resumption of operations, 605-6
Speakers: Honourable Senators
Flynn, Jacques, 609-13
Martin, Paul, 604-7, 613-14

St. Lawrence Ports Operations bill C-230. 1r, 604; 2r, 604-7, 609-14; ref to com, 614; rep without amdt, 614; 3r, 615; r.a., 617

Salmon fishing, 327-30, 334-9, 355-6, 374-9
See Fisheries

Science policy
Acquatic wealth, 258
Blueprint for Survival, 260
Canadian Research Board, 73-74
Challenges and Opportunities for Science and Technology, 256
Club of Rome report, *"The Limits of Growth"*, 204, 259-60
Collective bargaining in matter of technological change, 69-70, 205
Commission on the Future, 244-5, 261-3, 550
Critical Review: Past and Present, 140
Decentralization, community control and extent of use of STI system, 144
Developing a Computer-based Information System, 141-2, 146
Domestic market, protection in, 202
Environmental crisis, 257, 258-9
Expenditures and accountability for, 71, 143-5, 256

Science policy – *Concluded*
Fellowships and grants, 71-72, 551
Industrial innovation, 69, 201, 203, 205-7, 216, 552
Information services, 143, 200
Investment expenditures, 215-16
"Little Revolution", excerpt from article in Vancouver *Province*, 78
Medical research, 257
Mobility of scientists and engineers, 207
National audit of R and D projects, 551
National Research Council, 73, 203, 214, 215
Natural resources, depletion of, 215
OECD, 203, 204
Parliamentary and Scientific Conference of Council of Europe, 382-4, 413-15
Physical, life and social sciences, basic research centre for, 72, 75-76
Project Sappho by Science Policy Research Unit, Sussex University, 143
Recommendations of committee, 205-7
Research and development, Canada's rating, 201-2, 214
Research board, 551
Research expenditures, 550, 551
Committee recommendations re, 551
Resource based and primary manufacturing industries, 552
Trade and tariff policies, 205
University graduates lack of placement in industry, 205, 206, 214-15
US investments in Canada, 213
Speakers: Honourable Senators
Cameron, Donald, 139-46
Carter, Chesley W., 212-16
Grosart, Allister, 200-7
Lamontagne, Maurice, 68-77
Martin, Paul, 550-3
Thompson, Andrew, 256-61

Science Policy, Commission on the Future
Speakers: Honourable Senators
Buckwold, Sidney L., 262, 263
Lamontagne, Maurice, 244-5, 261-2, 263

Science Policy, Special Senate Committee
Appointment, 8
Budget tabled, 555
Members, 8
Reports
Expenses, tabled, 40
Vol. II, *Targets and Strategies for the Seventies*, 31, 68-77, 139-46, 200-7, 212-16, 256-61, 550-3
Tabled, 31
Terms of reference, 8

Senate
Accounts tabled, 436
Ref to Internal Economy, Budgets and Administration Committee, 436; rep of com, 554-5, adopted, 563
Adjournment, Easter, 293, Summer, 617
Appointments, partisanship aspects of, 89

Senate – *Concluded*
Business of, 353-4, 357, 374, 379-81, 436-7, 450-4, 563-4, 595-6, 602, 603-4
Distribution of bills, question, 563-4
Code of conduct for Senators, motion (Hon. Mr. Croll) that committee consider principles of, 478, 505-6
Committees
Amdt to motion for establishment of committee on agriculture, question of relevancy of, 147
Consideration of legislation before bills reach Senate (income tax), 341-5
Expenditures re tax reform legislation, 344
News media reports on, 136-7
Reports and government reaction to, 23-24, 26-27
Staff, inadequacy of, 343-4
Structure, suggestions for reform of, 137-8
Debates, translation services, 125-6, 302
Disturbances in Senate corridors during reading of Speech from the Throne, 88
Emergency sitting, 7
Hours of sitting, 436
Legislation, consideration before presentation of bill, 90, 341-5
Legislation, initiation in the Senate, 89-90
Order of business at Opening of Parliament, 90-91
Prestige of Senate, question of privilege in relation to motion by Prime Minister on house adjournment (Hon. Mr. Flynn), 615
Reflection upon integrity of Chairman of Banking, Trade and Commerce Committee (Hon. Mr. Hayden), question of privilege, 498-502
Reform of, 179, 180, 282-3, 317-19, 458-9
Regional representation, 179, 180
Retirement age of Senators, 180
Role of Senate, Government disregard of, 399-400, 405-6
Sitting of Senate while Commons adjourned, statement re, 566
Speaker Hon. Jean-Paul Deschatelets and Speakers *pro tem*, tributes at close of session, 616
See also Rules of the Senate

Senators, deceased
Methot, Hon. Leon, 618
August 7, 1972
Willis, Hon. Harry A., 234
March 23, 1972

Senators, new
Asselin, Hon. Martial
Appointed Sept. 1/72
Cote, Hon. Joseph Julien Jean-Pierre
Appointed Sept. 1/72
Graham, Hon. Bernard Alasdair, 332
Introduced in the Senate May 15/72
Greene, Hon. John J.
Appointed Sept. 1/72
Hicks, Hon. Henry D., 332
Introduced in the Senate May 15/72
Laing, Hon. Arthur
Appointed Sept. 1/72
McIlraith, Hon. George James, 332
Introduced in the Senate May 15/72
Neiman, Hon. Joan
Appointed Sept. 1/72
Norrie, Hon. Margaret, 332
Introduced in the Senate May 15/72

Smith, Hon. Donald
Economy of Canada, effect of unemployment and inflation, 384-8
Guaranteed annual income, 387
Nova Scotia, 385-7
DREE program, 385; Michelin tire plant, 385; fish plants, 385; employment from municipal projects, 386-7
Local initiatives programs, 387
Opportunities for youth, 386-8
Fisheries
Salmon fishing, effects on economy of New Brunswick from ban on, 328-30
Compensation for net fishermen, 329
Foreign fishermen in salmon areas, 329; Danes, 329
Tourist interest in salmon fishing, 328-9
Internal Economy, Budgets and Administration Committee
Appt. of Senators to act between sessions and parliaments, 275, 276-7, 292
Banking, Trade and Commerce Committee budget tabled, 555
Clerk's accounts tabled and referred to committee, 436; report of committee, 554-5, adopted 563
Foreign Affairs Committee budget tabled, 555
Legal and Constitutional Affairs Committee budget tabled, 555
Poverty Committee budget tabled, 555
Science Committee budget tabled, 555
Rowe, Hon. Frederick W., sons elected to Newfoundland Legislature, 235
Senate business, 452-3

Social security
Administrative difficulties, 36
Family allowances, manpower centres and adult occupational training, letters from Prime Minister re, 152-5
Isolation barriers caused by physical distance, social stigma, economic deprival, 10-13, 15, 34-36, 41-44
Social changes and opportunities, 28-29
Socialism, government policies, 89
See Poverty

Speaker of the Senate, *see* Deschatelets, Hon. Jean-Paul, P.C.
Acting, Hon. Mr. Connolly, 44
Hon. Mr. Macdonald, 603, 604
Hon. Mr. Smith, 199, 537
Pro tem, Hon. Mr. Bourget, 139, 157, 171, 190, 294, 298, 597
Hon. Mr. Macdonald, 609

Speech from the Throne
Opening of Third Session of Twenty-eighth Parliament, 1-4
Consideration of Speech from the Throne, motion for, 5; termination of Address in reply, motion for, 7; engrossing of Address in reply and presentation to Governor General, motion for, 121
See Address in reply
Prorogation of Third Session of Twenty-eighth Parliament, 624-5

Spence, Hon. Wishart F., Puisne Judge of the Supreme Court of Canada
Royal assent, 617

Standing Rules and Orders, Standing Senate Committee
Reports:
Agriculture Committee, establishment of, 502-3
Rules of the Senate, amdts to, 503-4; considered in Committee of the Whole, 512-16; reported without amdt, 516; report adopted, 516

Statutory instruments, *see* Regulations and other statutory instruments, 37-40, 106-9, 122-3, 209, 225, 331

Sullivan, Hon. Joseph A.
Marijuana, question of legalization of, 67

Tax reform, *see* Income tax

Territorial Supreme Courts bill S-3. 1r, 175; 2r, 198-9; 3r, 212; r.a., 567

Thompson, Hon. Andrew
Appropriation bill No. 1, 1972 C-175, 253
CBC, capital expenditures and programming, 253
Poverty, 454-8
Below-poverty line families, statistics on, 454-5
Guaranteed annual income, 456-8
Manitoba experiment, 457
Massachusetts bill, 457
UK negative income tax proposal, 457-8
Voluntary and government services, criticisms in committee report, 456
Working poor, 455
Science policy, 256-61
Acquatic wealth, 258
Blueprint for Survival, 260
Challenges and Opportunities for Science and Technology, 256
Commission on the Future, 261
Environmental crisis, 257, 258-9
Expenditures, 256
Limits of Growth, report of Club of Rome, 259-60
Medical research, 257
Productivity in factory, farm and food industries, 257

Trade
Auto imports, 134
Auto pact, 132-4
Canada-US relations, 44-46, 47-51, 109-10, 131-6, 169-70
Domestic International Sales Corporations (DISC), 132-3
European Economic Community, motion that Foreign Affairs Committee examine and report on Canadian relations with EEC, 100-3, 148-50, 160-5; motion agreed to, 165
GATT, 133
Import and export statistics, 101, 102
Manufactured goods exported to US, 162-3

Trade – *Concluded*
Pacific Region, report of Foreign Affairs Committee re Canadian relations with countries of Pacific Region, 190-1
Pulp, paper and newsprint industry, competition from EEC, 148-9
Trade and Development conference at Santiago, Chile, 294, 312-16
Trade and economic matters, Interparliamentary Group discussions on, 48, 131-3, 169-70
Trade and Goodwill Mission to the People's Republic of China, 366-73, 391-4
West coast ports operations, backlog of shipments due to work stoppage, 619-23

Trade and Goodwill Mission to the People's Republic of China, 366-73, 391-4
Banff School of Advanced Management, exchange of students, 367, 391-2
Bethune, Dr. Norman, evidences of prestige in China, 392
Canada-China relations, 367-8, 373
Education of Chinese children, 392-3; in factory processes and food production, 393; music, 393
Factory production and workers, 372; lack of absenteeism, 372
Industrial exhibition, 369
Medical research, use of acupuncture in operational procedures, 368-9, 392; medical students, 371
Women in China, status of, 392-3; factory workers, 372

Translation services
Question of privilege re speech on Regulations and other Statutory Instruments, 125-6
Question of privilege re speech on the Constitution, 302

Treaties, *see* Agreements, Conventions and Treaties

Tributes
Metropolitan Ilarion Ohienko, Primate of the Ukrainian Greek Orthodox Church of Canada, the late, 295-6
Senators, deceased
Methot, Hon. Leon, 618
Willis, Hon. Harry A., 234
Speaker of the Senate, Hon. Mr. Deschatelets, and Speakers *pro tem,* 616

Unemployment, 13, 16, 27, 118
Local initiatives programs, 27, 40, 212, 362, 363, 387, 390
Nova Scotia programs to alleviate, 40, 212, 387-8
Opportunities for Youth, 362, 364, 366, 386-8, 390
Quebec unemployment rate, 16
Unemployment and inflation, effect on economy, 360-6, 384-91, 473
Unemployment insurance, 296-7, 460-2, 549
See Adult occupational training,
Economy of Canada,
Unemployment insurance.

Unemployment insurance
Labour force statistics, 460-1
Maximum benefit, 461
Qualifying period, 461
Retired persons, 461
Sickness and maternity contingencies, 461

Unemployment Insurance bill S-2. 1r, 173; motion for 2r, 296-7, 460-2; motion in amdt that subject matter be referred to committee, agreed, 462

Union of Soviet Socialist Republics
Canadian literature translated for distribution in USSR, 432
Competition in markets other than Canada, 350
Exchange of Canada-USSR parliamentary documents and newspapers, 432-3
Free intellectuals, repression of, 432
Gazette litéraire (editor Alexander Chakovsky), 431-2
Parliamentarians visit to Canada, 103, 111, 124-5, 348-50, 431-3
Science and technology agreement, 349
Trade potential, Canada-USSR, 349
Wheat imports from Canada, 349, 350

United Nations
Aid for refugees, disasters, etc., 301
Developing countries, Canada's commitment to, 313-14, 315
Generalized Preference System, 313
Human rights, 299, 300, 301
International commodity agreements, 313
International Monetary Fund, 312-13; special drawing rights, 313
Journalists, protection of, 300
Racial discrimination, 299
Social problems, 301
Twinning of cities to promote international co-operation, 301
War crimes, 299-300

United Nations 26th Session of the General Assembly Conference in New York City, 299-302

United Nations Trade and Development Conference at Santiago, Chile, 294, 312-16

United States
Interparliamentary Group, Canada-United States, 44-46, 47-51, 109-10, 131-6, 169-70
See Interparliamentary Group
President Nixon's address to both Houses of Parliament, 309-11
Prime Minister Trudeau's address of welcome to President Nixon, 308-9

Unity Bank of Canada bill C-164. (Hon. Maurice Bourget). 1r, 175; 2r, 199-200; ref to com, 200; suspension of Rule 95, 207-8; rep without amdt, 246; 3r, 246; r.a., 293

Urban affairs
Municipal-provincial-federal participation, 12
National parks and land preservation, 16

USSR, *see* Union of Soviet Socialist Republics

van Roggen, Hon. George C.
Pollution, oil spill at Cherry Point refinery, 491-2
Territorial Supreme Courts bill S-3, 198-9

Visiting Forces Act, amdts, *see* Criminal Law Amendment bill 1972 C-2

Visitors
Royal Military College Officer Cadets, 212
United States President Richard M. Nixon, 308-11
USSR parliamentarians, 103, 111, 124-5

Vote
Criminal Law Amendment 1972 bill C-2, motion for amdt on 3r, neg, 477-8

Welch, Hon. Frank C.
Economy of Canada, effect of unemployment and inflation, 360-5
Government spending policies, 360
Inflation, 361-2
Excerpt from statements of Royal Bank President, 363
Farmers and other private enterprises, problems from inflationary trends, 362
Maladjustments in wage-cost-price structure, 362
Local Initiatives programs, 360, 362
Opportunities for Youth programs, 362
Private sector role, 360-1
Unemployment, 362-4; make-work programs, 362

Welfare
See Poverty,
Social security

West coast ports operations
Backlog of shipments due to work stoppage, 619
Longshoring operations, resumption of, 620
Mediation procedures, 619-20
Merger of trade unions, 622
Term of collective agreements extended, 620
Speakers: Honourable Senators
Flynn, Jacques, 620-2
Lawson, Edward C., 622-3
Martin, Paul, 619-20
McDonald, A. Hamilton, 623

West Coast Ports Operations bill C-231. 1r, 619; 2r, 619-23; 3r, 623; r.a., 624

Wheat Board
Agriculture Committee authorized to study Wheat Board report, 533
Alberta barley, initial payment, fixed basis-in-store, 530, 532
Delivery after crop year has ended, 530, 531-2, 562
Penalties for infractions of act, 532, 542, 547, 562-3
Protein grading system for wheat, 530, 531
Quota acres, 530, 531
Report for crop year ended July 31/71, 603, 608
Wheat Board powers re delivery quotas, 531, 542-3
Speakers: Honourable Senators
Argue, Hazen, 530-2, 562-3
Haig, J. Campbell, 547-8
Macdonald, John M., 541-3, 563
McDonald, A. Hamilton, 562

Wheat Board bill C-204. 1r, 530; 2r, 530-2, 541-3, 547-8; ref to com, 548; rep without amdt, 554; 3r, 562-3; r.a., 567

Whips
Chief Government Whip in the Senate
McDonald, Hon. A. Hamilton
Chief Opposition Whip in the Senate
Macdonald, Hon. John M.

White, Hon. George S., P.C.
Pension, War Veterans Allowance, Civilian War Pensions and Allowances, Children of the War Dead (Education Assistance), Department of Veterans Affairs bill C-208, 417-19, 422
Delay in receipt of legislation, 417-18
Escalation of allowances to reflect increase in Consumer Price Index, 418
Veterans basic pension vs wages for untrained labourer, 418-19
Woods Report, 418

Williams, Hon. Guy
Address in reply to Speech from the Throne, 41-44
Fisheries, effect on New Brunswick of ban on commercial fishing of salmon, 378-9
Indian citizens, 41-44, 330-1
Fishermen's assistance program, 43
Indians in penal institutions, 43
Injustices and police brutality relating to Indians, 43-44
Iroquois League, 41-42; Great Laws, 42
Isolation of first citizens of Canada, 41-44
Poverty, 43, 330-1; British Columbia, 330-1
Pollution, oil spill at Cherry Point refinery, 493

Willis, Hon. Harry A.
Deceased March 23, 1972
Tributes, 234

Windsor, His Royal Highness the Duke of,
Deceased May 28, 1972
Message of sympathy to the Royal Family and to the Duchess of Windsor on the death of the Duke of Windsor, 427

Women in public life
Appointments to courts, federal boards, commissions, etc., 86
Day care services, 86
Equal Opportunities Office, 85
Family planning information, 86
Federal status of women council, 84
Human rights commission, 84
ILO Convention re equal remuneration for male and female, 87
MacDonald, Miss Flora, acceptance by National Defence College, 86
Passport in maiden name of married woman, 87
Public Service, 14-15, 482, 484
Representations to Prime Minister for legislation re equality, 83-84
Senate and House of Commons, 86
University professors, 14
Women in China, 392-3

Youth
Drug usage, 62-63, 67
Education, post-secondary, federal-provincial fiscal arrangements, 173-4, 193, 194, 197
Opportunities for Youth program, 362, 364, 366, 387-8, 390
Rebellion against modern values and resulting violence, 61-63, 66

Yukon Territory
Territorial Court, change of name to Supreme Court of the Yukon Territory 175, 198-9, 212

Yuzyk, Hon. Paul
Adult Occupational Training bill C-195, 548-9, 561
Provincial reactions to results of occupational training, 549
Unemployment insurance, 549
Constitution of Canada, 302-7
Bill of Rights, 304
Language rights, 305
Preamble of new Constitution, 304
Thinkers' Conference on Cultural Rights, 306
Metropolitan Ilarion Ohienko, Primate of the Ukrainian Greek Orthodox Church of Canada, the late, 295-6